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PRODUCTIVITY COMMISSION

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

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

TRANSCRIPT OF PROCEEDINGS

AT HOBART ON MONDAY, 12 MAY 2008, AT 10.38 AM

Continued from 7/5/08 in Canberra

MR FITZGERALD: Good morning, everybody. I will just make a couple of opening comments, if I can. It's a joy to be down in Hobart for the second day of the public hearings in relation to this inquiry into paid maternity, paternity and parental leave. As you know this is an inquiry that is of significant importance with about 260,000 children born each year. The proceedings are reasonably informal in nature, although you might not be able to tell by the look of it. The participants will have the opportunity to present their thoughts and ideas for about 15 minutes or so and then Angela MacRae and myself will have the opportunity to ask questions. At the end of the day, anybody else who wishes to make a comment is welcome to do so.

As I indicated, these are meant to be informal in character although all of the presentations are in fact recorded and the transcriptions will be made available on the Web shortly. Submissions are due to the Productivity Commission by 2 June and all of those submissions, unless marked confidential, will also be made publicly available and the draft report will be released by the commission to the public in early September. We will then have a round of hearings, submissions, consultations on that draft and the final report will go to the government in February 2009.

So with that said, welcome, and we'd like to invite our first participants to give your full names and the organisation you represent and then your opening comments.

MR STEVEN (COSBOA): Thank you, commissioner. Tony Steven, or Anthony John Steven. I am CEO of the Council of Small Business of Australia. My colleague is here to observe.

MR MALLETT (COSBOA): Robert Mallett and I'm assisting Tony today, with the COSBOA submission, but I'm also appearing later this afternoon and specifically with the Hair and Beauty Tasmania.

MR FITZGERALD: Thank you.

MR STEVEN (COSBOA): Just a little bit about COSBOA. The Council of Small Business of Australia is a peak body organisation which is based in Canberra, although I personally live here in Hobart. The organisation is made up of some 24 differing small business associations across many different industry sectors. One of the pre-eminent associations involved with us is the Business and Professional Women's Association and a lot of the information has come to me for this presentation from Judith van Unen who is the representative to COSBOA for the Business and Professional Women's Association and is also the treasurer of COSBOA.

There are 1.9 million small businesses in Australia and when it comes to generic issues like this, COSBOA has a great interest in protecting the interests of small businesses to the federal government and, of course, the Productivity

Commission. Paid maternity leave is the issue we are addressing in this submission. We have not done a policy on parental or paternity leave, so all the issues I am addressing here, as instructed from our membership, are on maternity leave only.

There are two main areas of concern that we have that we want to ensure that the commission is aware of from our point of view: firstly, the health and wellbeing of mother and child, and we feel that this is the most paramount issue to be addressed in this commission's inquiry and from our own centred point of view, the retention and attraction of staff. We understand that the International Labour Organisation has recommended that there be four months paid maternity leave and we see this as a social and community investment in the future of our children and their parents. This is a very important time in a child's development and we recognise this.

Our policy, which was adopted last year, recommends that we accept 14 weeks' leave as a suitable time for a mother to be with their newborn full-time. However, it is impossible from our point of view for small businesses to fund this, so we insist that the government fund the universal payments for maternity leave. There are questions though, like a qualifying period; one parent or both; what about other prime carers and, of course, all these issues will need to be addressed by the Productivity Commission but we don't intend to delve into that area in this submission. We understand that the government is running a series of surpluses and has done for a number of years now and that, without having the figures in front of me, we understand that the government does have the capacity to pay 14 weeks' leave.

Other countries have business-funded or part business-funded schemes; however, we see this as being an unfair impost on business. This should be a universal scheme to prevent small businesses losing their best employees to larger businesses which would happen if small business was left to pay for it with the much less capacity that they would have, as compared to larger businesses as a percentage of this cost to general revenue. A government-funded system would not be discriminatory. Also another point that should be looked at by the commission is the self-employed parents and independent contractors. We, of course, look at this as a marketplace decision to a degree because if the employers, small or large, wanted to pay or offer additional incentives for employees to stay, over and above what the government was to fund, then so be it.

Let me describe some of the aspects of a small workplace which are relevant to this issue. In a small business there are much closer relationships between the people in a small business workplace and this can be good and bad. There are much wider-ranging job descriptions inside a small business and not always are people divided up into human resources for one area, or finance for another, they cross many boundaries. Training and replacement are much harder due to time constraints and the number of personnel available in a small business. We feel that a

government-funded maternity leave would be difficult for small business, but doable.

Small business works in market niches and it needs to be flexible. Jobs can change because of these market niches and the change of directions that small business may have to take over a one or two-year period, leaving the person who has taken the time off with issues to encounter when they come back, such as changing in the job role, technology changes and marketplace changes.

Current benefits and rebates that are available at the moment, the Council of Small Business has an expectation that there would be a retention of current benefits, but whether the commission is to look at those current benefits - like the baby bonus et cetera - is up to it.

There is word about at the moment that even though there might be a 14-week paid maternity leave, there is the possibility of two years' parental leave being offered across the board as well. Holding a job open for that length of time will make it very difficult for small business. The nature of business could change completely, as I said before.

Issues such as possible workplace skills could decline during that time. There's issues about retraining and we feel that this two-year period should be negotiable, not regulatory. Small business and the Council of Small Business understand the importance of maternity leave. We understand that it leads to the attraction and retention of staff in small businesses and every stakeholder has to come out of this with a win-win situation. Collectively, small business are one of the biggest employees in Australia and we feel that the government should be looking at the social goals and taking on its social role by providing paid maternity leave in the same way it provides leave to the defence reserves.

Business already pays for the following and can't be expected to pay any more: holidays, leave loading, long service leave, sick leave and carers' leave. These are all the social benefits that are provided by business and it would be unfair to put this extra impost on business, although as I said before, the Council of Small Business accepts and supports the overall concept of paid maternity leave to the level of 14 weeks. Thank you very much.

MR FITZGERALD: Good, thanks, Tony. We might just start I suppose with a very broad issue. You've indicated that you support paid maternity leave if it is funded by the government but not otherwise. If we just look at it as a concept - some people have said to us that this should be treated in exactly the same way as other leave, that the introduction of sick pay, the introduction of annual leave and compassionate leave and so on and so forth - the initial response by business was always that this would be an impost on business, and yet we have accepted those and business have paid for those, ultimately transferring the cost of that to the consumers

of their products. So why is it that you think maternity leave should be treated differently to all of the other leave arrangements? Yes, it would be an impost on business, but business will ultimately pass it on to the consumers, both here and overseas and that may be a reasonable way to see this issue.

MR STEVEN (COSBOA): We feel that as the government is in a very flush situation when it comes to surpluses at the moment that there is a capacity within government to pay this and this is a social agenda item and it should be looked at from the government's point of view. Business has done a lot with those other leaves and benefits that I have mentioned but I think that even some of those should be looked at in the future as to where they should be delivered from. If it's a matter of the marketplace, if it's a matter of business wanting to offer above and beyond these conditions, then so be it, and that will be part of the costs that are passed on to consumers, and competitiveness in the marketplace will judge whether it's the right thing to do or not. But to put 14 weeks' leave on to business, especially small ones, would be an impost that couldn't be borne by business, especially if it was an immediate introduction.

MR MALLETT (COSBOA): In addition to that, commissioner, not all businesses are necessarily born equal. I'll be appearing later on for the hair and beauty industry, of which 98 per cent of the people in that industry are women, therefore it's a considerably higher impost, and an industry and enterprises that have huge proportions of their staff as women, as opposed to possibly the building trades where we have entirely the opposite case, where mainly males are those employed and then business wouldn't at all incur those costs as an ongoing yearly event.

MR FITZGERALD: Just taking that point, we've heard propositions put to us so far in this inquiry that recognising that the burden would fall disproportionately on businesses that have higher numbers of female employees, particularly of child-bearing age. Some have said to us the way around that is to introduce a social insurance type model that exists in most of Europe and other countries where employers and employees would in fact contribute over time and so, as you would have heard, one of the proposals was effectively 1 per cent of payroll would be applied by all employers, therefore easing the burden on any particular set of employers, in other words, spreading the load. I was wondering whether you have a comment about that.

MR STEVEN (COSBOA): 1 per cent rings of the training levy a few years ago and once again, that's a cost that would be passed on, as you say, but the administration of that cost and the red tape that it would create is just another burden that I don't think is necessary on business, large or small. I think that the concept of this is a social agenda, not a business agenda, and once again I fall back to the responsibility of the government to invest in our future. The businesses are already incurring a cost of retraining returning staff and training replacement staff.

MS MacRAE: Just in relation to that issue of staff retention and staff attraction, obviously there's quite a sizeable chunk of the market that currently offers maternity leave. Would you see one benefit for small business being that this might be somewhat more of a leveller? I guess I'm asking would you expect that the businesses that currently provide this, if a scheme such as the one you're advocating was introduced, would provide a top-up equivalent to what they're doing now or would it provide a relative benefit to small business, do you think?

MR STEVEN (COSBOA): Whether the government pays award rates or above-award rates or whatever during the maternity leave is something that we have not addressed. As much as small businesses would prefer to see a scheme which is in place where it is a leveller, as you quite rightly put it, which a government-funded scheme would be, we do recognise that there is competition for good staff and skilled workers in Australia and a top-up part to what the going rate might be can be left as a competitive element to the package that an employee may be offered. I don't find that that, over the top of what government provide, is a problem. Small business, if it is operating efficiently, can offer its staff more, and through this leave, top up, as we've called it, and that would just be the nature of the marketplace.

MS MacRAE: You mentioned about the self-employed and contractors in your opening statement but I wasn't sure what you were proposing for them. Were you suggesting that the government payment should be universal to all new parents and so they would get whatever payment that was?

MR STEVEN (COSBOA): We consider that independent contractors and people working on their own in microbusinesses are small businesses and they should be included in the government-funded scheme.

MS MacRAE: But not those outside the workforce?

MR STEVEN (COSBOA): This is an issue we have not addressed but it is an issue that I understand you will need to, which is what I alluded to regarding whether we replace the baby bonus or just - I mean, that's a minefield for you commissioners, I feel, in the near future. It's not one that I can go to.

MS MacRAE: But basically, I guess if I can call it, your bottom line is that you would like the self-employed contractors to be included in any scheme that is regarded as employment related and if you were to go outside of that, that's really an issue that you're not choosing to go to.

MR STEVEN (COSBOA): Correct. One of our members is the Independent Contractors Association of Australia.

MR FITZGERALD: Can I just raise that. One of the things that we're trying to elicit I suppose during this inquiry is the objective that is trying to be met by any paid maternity, paternity or parental leave scheme, and there can be any number. There can be those that value workforce attachment, and therefore they have eligibility requirements that require a person to be engaged with the workforce for a period of time. There are those that view an objective as workplace attachment, and that is, eligibility is based on the length of time you've been with a particular employer. Then there are those who put child wellbeing and maternal wellbeing as the primary goal, and they have a universal approach that there should be an open eligibility.

I was wondering whether, from your point of view, from your members' point of view, whilst all of those objectives are important, what do you think the primary objective is that should be sought to be achieved from any of these paid schemes, because the objectives that we set actually shape the design of the scheme itself, particularly in relation to eligibility criteria. So everyone seems to argue about the number of weeks. The issue for us is why and therefore what we do in terms of the design.

MR STEVEN (COSBOA): You're taking to an area that I haven't been instructed upon except for the first two points I made which were our primary two points to consider when looking at this was the health and wellbeing of the mother and child, and the second one, the retention and attraction of staff. I understand that those two points are in order of importance.

There is a social investment element to this, and I remember discussing this with my council members; that is, that if we as a community have content, happy, learnable and teachable children from day one through to the end of school, then we as employers are going to benefit through the social cohesion that that will cause and the better attitudes of staff and workers in the future.

Now, I think there was a statement many years ago, something about give me a child until he's seven and I'll give you the man, or the adult I suppose we should be saying now. But the point there is that the first 14 weeks are very, very formative. There's another argument or another debate for another time about the next five years. But I do believe that if we as a community concentrate on those early years to the degree that we should, I think we'll find that the social benefits to Australia and our community will be enhanced greatly.

MS MacRAE: I was going to say, just in relation to that 14-week period, I imagine from what you've said you're envisaging that that would have to be taken in a single block. I'm harking to your comment about it being difficult but doable to have a scheme of that nature.

MR STEVEN (COSBOA): Yes.

MS MacRAE: I just wondered if you'd like to comment, because we have had other participants talking about potentially being able to take the period, maybe come back for a time or have the other partner take some of the time, those sorts of issues. Just from a small business point of view, I wonder if you had a view about blocks of leave and the flexibility within any leave arrangement in terms of the timing of that taking of that leave. You alluded to it a bit with the two years unpaid, but I wonder if you could just elaborate on that a bit more.

MR STEVEN (COSBOA): Well, look, I think that the government scheme should be the bottom line. If you're in a position where we know regulatorily we can have 14 weeks, one block amount, and that's the bottom line, it's what everyone will get; it's fair for large and small businesses alike. If a business wishes to negotiate something more and above that, I think they should be let to do so. That is where the competitive marketplace will start to dictate what's required. We must remember that skill shortages in Australia are with us now for many years to come because of the population bubble that's passing through.

I can't say all of us, but many of us are baby boomers. So we're in a situation where we're going to have a shortage of skilled and unskilled labour for a long time to come. So the demand that employees can place on employers in the future will be much greater. If you provide the bottom line, the floor if you like, the marketplace will dictate the other benefits.

MR MALLETT (COSBOA): I'll allude to some of the angst that employers already have with the existing maternity leave system later on. But I think where you're trying to find out whether the leave should be taken in part or in whole, my feeling is, from the range of small businesses with which I deal, that that would not be considered a good, viable option.

It's hard enough as it is to find replacement staff for the person who's gone on maternity leave in the first place. To then muck them around, so as to speak, by, "Yes, you can be here for three weeks or four weeks, but in actual fact I've got so-and-so coming back for another week and then she's going to take another three weeks' maternity leave," is just an unworkable situation for most. I mean, if you know you've got replace your staff person, it takes some considerable amount of time and energy to train initially the replacement staff. To then not to be able to offer them some certainty in their ongoing employment for at least that 12-month period or nine to 12 months, it just would be quite unworkable for most small businesses.

MR FITZGERALD: Some participants have already indicated that in fact that's one of the reasons why the period should be much longer than the 14 weeks; that is, that 14 weeks is in fact a disruptive period for the employer, but not a sufficient

period of time to actually find a replacement and actually take on the work.

MR MALLETT (COSBOA): Yes.

MR FITZGERALD: In fact, we heard from a number of employees the other day at the Canberra hearings who indicated that all that happens is the work is almost left until they get back and that one of the reasons for a longer period is in fact to allow the replacement of that employee for the work to be undertaken.

Now, it's also true that whatever period of time one pays maternity leave for, it will be extended. You know, people will take it at half pay and so on. But do you think that there's some validity in that argument, that very short periods of time or relatively short periods of time provide almost no benefit?

MR MALLETT (COSBOA): What I don't have is the figures on exactly how long do most women take for the maternity leave, and does that differ on the size of the business.

MR FITZGERALD: Yes.

MR MALLETT (COSBOA): So I don't have any figures to be able to substantiate that at all. My distinct impression is that a considerable amount of women take the full 12 months to spend their time with their child, although there is definitely a number who get back to work. Most of the anecdotal evidence I have from my people is that, "She's going to come back as soon as possible," and that ends up being nine, 10, 11 or 12 months' time. So I think the woman's mind-set before she's going to go off on maternity leave and the time after she's had the child tends to change considerably. So most of the small businesses that I deal with end up having to find somebody for the 12 months; it's not just that three-week, six-week period or whatever that they take to recuperate from the actual birthing process and then back to work. So again, I'm not sure.

I go back to your original question: is it workforce attachment, workplace attachment or the child and maternal sort of wellbeing, and it all comes back to, I suppose, why are we paying in the first place? I think possibly it is that opportunity for the woman and the child and their wellbeing that probably is the overriding concern. For most people in the heart, there's no doubt about it. The workplace wants their staff to be well compensated, well paid and to encourage them to return to their workplace, but in a time and place that meets the workplace's needs, not necessarily just the employee's needs.

MR STEVEN (COSBOA): Yes, the other big issue there is one that the government will have to measure, and that is the cost of such a scheme. I understand that the 14 weeks is something that former Sex Discrimination Commissioner

Pru Goward I think had calculated. I haven't got her figures in front of me, but that cost is manageable from the government's point of view at 14 weeks. If it's any more than that, whether the government can afford that is another critical question that will have to be answered.

MS MacRAE: One of the other things, if I could just take it up - and you might want to even take it on notice and think about it for your submission - in choosing the length of leave, many of the people that have spoken to us and the submissions we've had have talked about the importance of establishing breastfeeding and making that the sole source of nutrition for the first six months, that there's quite a lot of evidence around that, that if that can be provided, that's a good thing. I was wondering if you had any views about whether business would see options other than a paid leave scheme where breastfeeding might be more welcome in the workplace and whether there's other measures that business could take to help on that front if that's going to be one of the key drivers of a maternal scheme. It's sort of tangential to our terms of reference, but we're looking at issues like breastfeeding and child care and all those things because they do feed into the design ultimately of our scheme.

MR STEVEN (COSBOA): I'll be brutally honest and say that I've put my notes in front of several councillors and the instruction I got back was not to go there.

MS MacRAE: No, that's fine.

MR MALLETT (COSBOA): I mean, I'm a male and I don't know the ins and outs of what's required and I think a medical area of expertise would probably help further than I would be able to or willing to.

MR FITZGERALD: Let me assure you being male will not save me from having to go there.

MR MALLETT (COSBOA): I think the issue that might affect some of the people that I deal with will be an occupational health and safety issue. It's not a social issue necessarily, it's the safety of the child and the parent in the workplace and issues that that may bring up.

MS MacRAE: So you're saying bringing a child to the workplace might be a problem?

MR MALLETT (COSBOA): Bringing the child to the workplace could well be a problem. For example, in the hairdressing and beauty industry there are lots of chemicals, there's hairspray flying around. It's fine when you're going in there for your two-hour session, but to take a small child or baby in there for any extended period of time to do this would be not considered good practice.

MR FITZGERALD: Just a couple of final questions from me. One is some of your members - Tony may in fact already be providing voluntary maternity and paternity leave arrangements - the unions have indicated to us thus far - and Unions Tasmania are presenting just after lunch today - that in fact if we introduce a government-funded scheme, then that should not in any way affect the voluntary schemes that are currently in place, that is, that if there are voluntary schemes, they should be over and above that which the government introduces. I was just wondering whether you have a view on that at this stage.

MR STEVEN (COSBOA): The voluntary schemes that are in place are subject to the marketplace, as I've said before, and it's up to the employers and the employees to negotiate what benefits they would offer above what the government would do. Now, if that was to change - I don't believe any of this has been recorded in awards or anything like that, so it's really above-award conditions that will need to be negotiated between the staff and the employers on a case-by-case basis.

MR FITZGERALD: Just related to that, as you would know by the end of this year the Rudd government will have introduced its second phase of workplace reforms. One of those is the establishment of national standards for awards. There are mixed views in relation to whether or not paid leave should in fact be a national standard or not. Some employer bodies have argued strongly that it shouldn't be; other unions have in fact argued that it should be. My point is, you could achieve significant coverage in relation to paid maternity leave through the award system as distinct from the introduction of a universal government scheme. I was wondering whether you had given any thought to whether or not your members would prefer an award based approach to this or in fact would be opposed to that. You may not have given that consideration.

MR STEVEN (COSBOA): I haven't given it consideration to that degree, especially regarding maternity leave.

MR FITZGERALD: That's fine.

MR STEVEN (COSBOA): Maybe we can just take it on notice.

MR FITZGERALD: Maybe take it on notice because it's relevant, given the government's future considerations of industrial reform. My very last comment is a very general one and it's just one that many of the groups that have spoken to us, both union and women's groups, have indicated that paid maternity leave is simply one measure amongst many that would enhance the employment opportunity for women. I was just wondering whether you'd like to give a comment as to what you think the status of women are in relation to small business. Do you believe that the employment conditions for women have been improving or in fact are there weaknesses, because some continue to say notwithstanding the benefits that have

been derived, the employment of women is still precarious and that they are still disadvantaged in the workforce. I was just wondering whether you have a view more generally than just the belief.

MR STEVEN (COSBOA): I do, but I'm not sure this is the forum I'm meant to expound it because I do represent my members. This is not a personal presentation. But I understand there are more and more women starting up their own small businesses currently, so that will need to be a consideration for the commission and also alludes to my comments earlier about self-employed and independent contractors. It is important that whatever government scheme is introduced covers the entire working force to ensure that there is an equity put through the system so that there is a fairness throughout the whole of the workplace in Australia. I think that's about as far as I should go, commissioner, because I haven't been given the instructions from the membership, although I do have personal views, yes.

MR FITZGERALD: That's fine. Thank you very much. Any other last comments that you would like to make?

MR STEVEN (COSBOA): No, in closing, just to say thank you very much for the opportunity to put our case and I look forward to your draft report.

MR FITZGERALD: Thanks, Tony.

MS MacRAE: Thank you.

MR FITZGERALD: If we could have the Catholic Women's League, please. If you could give your full names and the organisation that you're representing.

MS ROBERTS (CWL): My name is Betty Roberts and I'm representing the Catholic Women's League of Tasmania.

MS DEANE (CWL): I'm Lillian Deane and I'm representing the Catholic Women's League, I'm assisting.

MR FITZGERALD: Thank you. If you could give us your key points that would be terrific.

MS ROBERTS (CWL): I have been very ill for the last six weeks and I'm still in recovery so I'm not firing on all cylinders and for that reason I have written my piece but I believe I'm capable of taking questions.

MS MacRAE: Excellent.

MS ROBERTS (CWL): I believe that this inquiry is driven by concern for the wellbeing of the whole community, in particular through making it easier for working mums to balance their employment with the important job of raising children. However, we, the Catholic Women's League, believe that we would like the commission to look into the needs of babies when extending financial support to mothers. The economy is said to require women's labour and I concur, but not necessarily in the paid workforce. Once a woman has a baby it is the baby that has the greater claim on mother's presence, like Sasha, Taronga Zoo's new chimpanzee matriarch, and I've brought her with me - not in person but from the cutting:

Four weeks after giving birth to baby Sule, the proud mother made her first appearance last week with her little man. The tiny primate will not leave his mother's side for at least six months. The senior keeper said, "Basically the infants are with mum the whole time, they never leave her. They are in the undercarriage position for six months and mum won't put them down at all.

I think we have much to learn from this primate beginning with a minimum of six months' leave from paid work for a new mother to allow her the necessary time to her child. In my view the government could pay the mother a minimum wage, and that fits in with what's just been said, for six months, as an investment in the future and that minimum wage may be as low as \$400 a week. I think the government could support that.

Saturday's paper informed us, "Rich babies are on their own. A foreshadowing of means-tested welfare with the Prime Minister questioning whether millionaires

need the baby bonus." We hold that the baby bonus is appropriate for more mothers.

Another important objective is the opportunity to breastfeed. It is a serious shortcoming of society's policies when women in some of the world's most affluent societies can no longer afford to breastfeed and mother their babies like Sasha. McCain and Mustard's Early Years Study says:

Breastfeeding is not just a matter of supplying better milk, it is the experience of breastfeeding with its opportunity for skin-to-skin touch and smell stimulation. When a baby is being breastfed, cuddled and rocked in his mother's arms as she smiles and coos at him, his brain is busily receiving signals through the sensations of warmth, touch, taste, sight, sound and smell. In the first three years when the brain's pathways are being wired, these experiences help to develop structures and functions of the brain in ways that will set the base for lifelong effects on learning behaviour and emotions, influencing his sense of security and social relationships throughout life.

I often wonder if women have so few children because they don't get the opportunity to fully experience the joys of motherhood, and I really mean that. I have seen so many people saying, "I'm going to have three children," and after they have had one, they opt out, and I really believe what I've just said, that they don't have the opportunity to fully experience the joy. Imagine rushing to leave your baby at child care around 8.00 in the morning and returning tired of an evening to pick the child up; not much opportunity for enjoyment there. We believe that most mothers in the paid workforce would prefer to rejoin the workforce part-time for a while, but not all employers would accommodate that. As for loss of skills, most women are intelligent enough to pick things up again within a short period of time.

Full-time mothers are workers in the unpaid economy and that's really very, very strongly felt. "Are you working?" has come to refer to people in the paid workforce and as a full-time unpaid worker in the economy, as my life has been, I resent that very much because I'm a very, very busy person. I invariably compliment a mother on her beautiful children and because I'm able to discern that she is a full-time mother - and I've tested this in Woolworths and Coles and all the supermarkets - I will observe mother and children for a little while and I have never been wrong so far, and I add the statement, "The children have you at home with them, don't they?" As I've just said, I've hit the nail on the head every time.

You would be surprised at the number who then sort of apologise for being a stay-at-home mum, as if they are second-class citizens, when they are doing the most important job of all, caring for young Australians, which is what I tell them. This is an attitude that I would like to see changed, with motherhood given the higher place it deserves on the list of desirable careers. Now for a quote from the autumn edition

of Policy. Are you acquainted with this quarterly?

MS MacRAE: Yes.

MS ROBERTS (CWL): It's an excellent publication. I like it very much.

The myth that children benefit from child care has led to this government setting aside 2.6 billion in government subsidies to offset the cost of child care for families.

None of this money will go to mothers at home caring for their own children.

It is important to compare formal child care with parental care but there are few studies that have actually done this, for it does not fit with dominant research perspectives in this field. There is a large American study by the National Institute of Child Health and Development that found children in centre based care had greater risk of behavioural problems than those cared for at home and that this risk increased the longer the child spent in care.

Imagine if you've been in care from babyhood and then you go to school for 12 years - I mean, you're going to buck, aren't you? I think you're going to buck; I would have bucked. I go on with the quote:

Australian research on child care is sparse. However, Kay Margetts of Melbourne University has found that children who had been in child care for extensive periods, with the exception of preschool, had more trouble adjusting to school on a variety of measures. The truth is that governments have been pushed to commit ever-increasing amounts of taxpayers' money to funding something that does not deliver the claimed benefits. Australian child care advocates are convinced of the case for more child care and greater subsidies but the evidence does not support their claims.

I concur with much of that and I've lived long enough to have my observations bear it out. Child care simply frees women to take up paid employment. Women in Australia are now universally entitled to 12 months' unpaid leave following the birth of a child but cannot afford to take it. I can't help wondering how that 2.6 billion could be redirected to mothers who care for their own children rather than to ABC Learning Centres that last year, according to the company, received \$128 million of its \$292 million revenue from government subsidies. That's more than 40 per cent from the taxpayer. ABC Learning is said to be Australia's most subsidised company and it's our taxes that are subsidising them.

Why can't the child care subsidies be paid directly to the mother rather than to the child care centres? All mothers are entitled to receive the maternity allowance. The contribution of unpaid work associated with mothering is more important than any work in the monetary economy.

Now for family health and wellbeing: children deserve a mother and father. Mothers are irreplaceable in the development of children and undoubtedly form the basis of the child's future security, but they need a couple of hours' break now and then. If a home based parent received the subsidy, they could avail themselves of short-term day care occasionally or have someone come in to care for the children so as to gain the opportunity to revive and refresh themselves.

Fathers: the most important thing a father can do for his children is to love their mother. However, sometimes the wife has the greater earning capacity or it's easier for the father to apply for parental leave following the birth of a child, and in such cases it should be granted. It's pleasing to see numbers of fathers caring for their children.

I must confess that I feel very sorry for children in day-long child care. What an eternity it must seem to a child, left all day without that special face, that special voice that they heard even in utero. You may have seen last Monday's Four Corners program, did you?

MS MacRAE: No, I didn't.

MS ROBERTS (CWL): You were too busy - on the slaughter at Virginia Tech, where criminal profiler, Dr Roger Depue, said that the young man, Cho, who killed 26 of his fellow students, may not have suffered selective mutism if his parents, who were newcomers to America - good, no doubt, Korean people who were trying to make it in this new country, who were working hard to make it in the new country - had been at home more. Everyone interviewed said that Cho was not abused in any way, but my view is that he was invisible to his fellow students. Being invisible is much worse than abuse. Maybe he never had the chance to be someone to someone or to see himself reflected in his mother's eyes.

Now for financing options: maternity support payments need to be structured so that an inclusive scheme is adopted that supports all mothers and children equally, a structure that ensures no mothers are excluded from payments and mothers are not in any way pressured to return to paid work before they feel ready, and hopefully they get paid a minimum wage for the mothers on leave from paid work, together with the child care subsidy. Family Tax Benefit Part B places the focus on the family with dependent children, thus acknowledging that the living expenses of an unpaid worker in the home through the tax system. This acknowledgment is important. The equity principle here is when more than one person is dependent on

an income, it should not be taxed as stringently as if supporting one adult. Family Tax Benefit Part B assists mostly low and middle income families who have one parent at home full-time caring for dependent children and should be retained. Family Tax Benefit Part B replaced the home child care allowance introduced by the Keating government which largely replaced the dependent spouse rebate. The dependent spouse rebate payable to a dependent spouse with no dependent children again recognises that two people are living on one income and that both have living costs that need to be allowed for before tax is levied on that income.

I recall a young woman on the Insight program a week ago - I've been watching more TV because I've been ill - she said she had two children and that she would like to work, but that if she found a job she would simply be working to pay child care and thus the learning centre, you know. I don't want to come down too hard on ABC; I mean, they've really copped it, haven't they.

Stay-at-home mums not only care for their own children, they do myriad other things like helping out at school, finding time for community work and caring for elderly relatives and neighbours, thus affording some relief to a major government headache as our population ages. If these children and older people were suddenly thrown upon government resources, the number of places needed would suddenly double, along with the government funding.

In their 50s and 60s women frequently take care of their grandchildren on a regular basis without cost to parents; certainly without cost to governments. We have a very small population here. We keep boasting that we've reached half a million, but I don't know that we've actually got there. I'm not convinced. Yet we know that there are 8000 grandparents caring for their grandchildren here in Tasmania.

I was a full-time wife and mother and I will now share a little of my story, lest you feel that stay-at-home mums are a drain on the system. My husband and I came from Western Australia two days after we were married. We are both West Australians and knew nobody here. Without extended family support, I never had a day off. There are many like me. You know, I think we all operate as if people have extended family, but already we are seeing many, many people who haven't got that back-up.

My only break was when my husband took the children for a walk on the Sunday. Each time I had a child, I faced the difficulty of who was to care for the others when I came to term. That costs, you know. I'm just looking at the difficulties of the home based mother. As soon as I became pregnant with number 8, we booked a housekeeper through the Country Women's Association. They only had one, so you had to be quick. My husband and I worked very hard bringing up our children and struggling to pay the bills with the help of the spouse rebate and meagre

child endowment to eke out my husband's earnings. Fortunately we were both healthy.

I have been a full-time worker in the unpaid work economy. For over 30 years I've kept my husband poor through my unpaid full-time community service as attested by my OAM. What made me include that was that I saw an ad - I think it was for the HESTA Super Fund and it was for community and health workers - and I thought, golly, I should get something from that, but of course you don't, but I did get a nice recognition from the government.

These are my closing points. Catholic Women's League (Tasmania) Inc recommend that all mothers be paid the child care subsidy direct. Catholic Women's League recommend that for six months the government pay a minimum wage to new mothers on leave from the paid workforce. We also believe that equity and justice demand that new mothers in both the paid and unpaid workforces be assisted financially in recognition of the contribution they've made to the country through giving birth to a new citizen and the extra costs incurred thereby. I don't think I stressed that that should apply to all mothers. You know, I'm against this rich and poor business. I think that if the mother has contributed a child to the country, then she warrants whatever is available.

Catholic Women's League (Tasmania) supports a flat-rate maternity payment payable directly to all women upon the birth of their child, irrespective of whether they are in the paid workforce prior to the birth or whether they intend to return to paid work. Such a maternity payment provides fair and equitable support for all new mothers, whatever choices they may make about participation in the paid and unpaid workforce. I thank you for listening. I may be able to field questions if you have any.

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

MS MacRAE: Thank you.

MR FITZGERALD: Maybe Angela might like to start?

MS MacRAE: The other lady doesn't want to - - -

MR FITZGERALD: Lillian, do you want to make any comments?

MS DEANE (CWL): No, thank you.

MS MacRAE: Okay. Well, that was quite comprehensive. In relation to your comments about child care, just to be clear about what you're advocating, you'd see a maternity payment and in addition to that, a child care payment. Is that how you

would see it?

MS ROBERTS (CWL): Yes, that's right.

MS MacRAE: Okay. The child care payment would be regardless of whether or not you had a child in formal child care, but if you chose to take that subsidy to sort of assist you in your home care, is that how you see it working, or only to allow a home based mother to perhaps take some external help with child care?

MS ROBERTS (CWL): No, I think that subsidy should be provided to all mothers. Now, if they had their child in child care, then it can form part of their contribution to that, but I think it should be directed by the parents, or in particular by the mother.

MS MacRAE: Yes.

MS ROBERTS (CWL): And that it should apply equally to mothers in the home. I never had two hours off, and a couple of hours off occasionally would have been great.

MS MacRAE: Yes.

MS ROBERTS (CWL): Also there was the problem of bringing in care to look after the children when I had a baby. That was enormously difficult. Of course, the child welfare that I got when my children were young - - -

MS DEANE (CWL): Endowment.

MS ROBERTS (CWL): Endowment. The child endowment didn't keep them in shoes.

MS MacRAE: Yes.

MS ROBERTS (CWL): So I'm not complaining, but I would like to see my sisters in this new environment being recognised for their work because it's very, very important work, as I said. My daughter - and I don't know whether I should be saying this, but the media is not on me - is a school principal and undoubtedly the difficulties incurred at school - not from all the students, but by quite a percentage of them - makes it impossible for teachers to teach. I would love to be able to study that and see why that is, because you're constantly hearing references to that difficulty. The teachers are committed. They have a vocation for teaching. They long to teach.

MS MacRAE: Yes.

MS ROBERTS (CWL): But the behavioural problems are horrendous.

MS MacRAE: So with the previous participants, we talked about what the objectives would be for a maternity leave scheme. I guess unambiguously you're saying that the prime purpose for a paid maternity leave would be improved welfare for all children first - - -

MS ROBERTS (CWL): Yes.

MS MacRAE: - - - mothers second - - -

MS ROBERTS (CWL): Yes.

MS MacRAE: - - - and then I guess you would argue society as a whole would then get the flow-on benefits for that.

MS ROBERTS (CWL): I love it. Just put it down just like that, please.

MR FITZGERALD: But can I just ask this question: I understand that you're talking about a universal payment to women on the birth of their child.

MS ROBERTS (CWL): Yes, by the government.

MR FITZGERALD: By the government.

MS ROBERTS (CWL): If their employer wants to top that up, well and good.

MR FITZGERALD: That's fine.

MS ROBERTS (CWL): But that minimum basic payment, you know.

MR FITZGERALD: Sure. Do you not acknowledge at all that there may be reasons why you would want to specifically acknowledge the disruption to employment that a woman faces on the birth of the child, that that should be recognised as well? In other words, you're absolutely right, that there are those women who are both out of the workforce or only marginally attached to the paid workforce.

MS ROBERTS (CWL): Yes.

MR FITZGERALD: But then there are an increasing number of women who are entering permanent part-time or permanent full-time work. Your view is that the same payment is made across the board.

MS ROBERTS (CWL): Yes.

MR FITZGERALD: But would you now acknowledge that there may be some case to argue that a woman within the paid workforce faces certain disruption both in terms of career and development and that that may need to be acknowledged over and above a payment simply to those that are not in the workforce? You see no difference at all?

MS ROBERTS (CWL): But can you acknowledge that financially?

MR FITZGERALD: For example, you might say - I'm not suggesting this but you might say - that there be a payment scheme that is higher and differently designed for women in the paid workforce as distinct from those that are outside. We used to have a maternity allowance, we've replaced that with a baby bonus, but you might well say that's one payment but there are other payments that should be made specifically to recognise the special needs of women who are in the workforce whose careers are disrupted because of that child-bearing.

MS ROBERTS (CWL): Frankly, I am more concerned that women won't be employed in that way because of maternity leave. I think their career is much more likely to be disrupted by somebody thinking, "Well, if we put a woman in this position and she's going to have a baby down the track, wouldn't we be better to put a man there." I'm more concerned about that. But taking up your point, if she is in this very important position, I think that she probably has the capacity to save for that event. So the extra recognition you're talking about can really be dealt with in that way. I don't think her employer needs to recognise it - they can, they can top up this minimum payment that I'm talking about in recognition of her importance and encouraging her to come back asap - but I'd be more concerned that it will prevent her getting the job in the first place.

MR FITZGERALD: Yes, and that's certainly been raised with us. In relation to paternity leave, the role of the father, do you have a particular view as to what arrangements should be in place for the father? Do you support paid leave to some degree for the father and/or the supporting partner or have you focused purely on maternity leave?

MS ROBERTS (CWL): Yes, I reckon he should be paid if the purpose of his leave is to take care of a newborn. Yes, I believe he should be paid also that minimum wage, you know, about \$400 a week, just to make it practicable really. Yes, I think he warrants that.

MR FITZGERALD: Do you have a time period for that?

MS ROBERTS (CWL): Six months. Everything I've said pretty well applies to that first six months. I haven't gone beyond that.

MS MacRAE: But in that instance, you'd be saying one partner or the other would take a period of six months in total.

MS ROBERTS (CWL): That's right.

MS MacRAE: You're not saying six months each or both?

MS ROBERTS (CWL): No.

MR FITZGERALD: It's the shared arrangements.

MS ROBERTS (CWL): Yes. I don't know of a couple who've both taken leave following the birth of a child; mind you, they both want to and that's why the previous people were saying they take leave for so long and then it grows longer and longer because they're enjoying being parents and that I understand completely.

MR FITZGERALD: Can I ask specifically about the current baby bonus, as to whether or not you see that that baby bonus could be rolled into any new maternity leave arrangements or payment arrangements or do you see that anything that is done by the government is over and above that payment?

MS ROBERTS (CWL): I think - and I may be unsure of this - that the maternity payments, similar to the maternity allowance, I haven't really thought about it, Mr Fitzgerald. I haven't really taken the baby bonus into account, but I will cover it in our written submission.

MR FITZGERALD: The point there that you may well want to consider, some people might say that the baby bonus should in fact remain separate to any of these considerations. The vast majority of participants say that in fact you need to look at the relationship between any maternity payments and the baby bonus and many have said that it should be rolled in as part of any new arrangement, but you might want to give that some thought in your written submission.

MS ROBERTS (CWL): Is everybody entitled to the baby bonus, the way things are?

MR FITZGERALD: Yes.

MS ROBERTS (CWL): I think it could be rolled in. That's talking off the top of my head.

MR FITZGERALD: Just in relation to the child care, one of the other issues that you raised and Angela has touched on is child care and you've indicated that you

believe there should be a payment made to the mother to be used however she or the family determines. But I'm just going to talk about child care for children under the age of 12 months in particular; one of the issues that we're looking at is this: if we are to have a government scheme, the governments might well say, "Where should we expend our money? Should we concentrate on payment of a paid maternity or maternity scheme or should we continue to provide funding for child care facilities for children under the age of 12 months," not over, just under the 12 months. Some would say that there's a trade-off, that governments will need to make a decision as to whether they invest in very early child care or in paid maternity and paternity leave. Others would say to us that that's not a valid trade-off, that in fact both are necessary, both early child care and paid parental leave. Given your comments, I might understand your answer, but you might want to tell me what you believe is the trade-off for the government there.

MS ROBERTS (CWL): I would like to see as much as possible go to keeping that mother with her child, I really would, and if it's an either/or situation, that's where I'd like to see the money go. The necessity for child care is brought about more by the mortgage, isn't it, than by anything else and, increasingly, rent. They're both out there in the workforce of necessity, not because they're loving what they're doing.

MR FITZGERALD: So you believe that if there was income support through a new paid maternity arrangement, that would lessen the need for early child care?

MS ROBERTS (CWL): I believe so. I go back to the two gentlemen and I don't know who they were representing - - -

MR FITZGERALD: The Council of Small Businesses.

MS ROBERTS (CWL): - - - but they were saying women say, "I'll only take three months," and then it gets to six and nine and so on, and that's a demonstration of the fact that the mother and child are bonding and the child is getting the mothering. There is no substitute for that. It's the most important thing a woman can do, mother her child. The bond that is created there exists throughout life.

I once took a baby - my husband nearly had a fit - I've had lots of children in the home and my husband would come home and the door would be opened to him by children that he didn't know, but I'm talking about this one particular baby that I'd taken from the orphanage and he was like putty, you know. He had no response whatsoever. His name was Martin and I had the joy of seeing that child come alive, living in a normal family environment and responding to the children. It was just magic. I've never forgotten it. My husband of course became extremely worried and thought I would want to keep the child, which I probably would have done, so he didn't let me keep him for too long, but that sort of putty-like child, it's a terrible thing to behold. Really, those bubs from birth to 12 months are not getting any

stimulation in care, they're simply not. They just eat and sleep, eat and sleep. So yes, my answer is the indications are that the money should go to helping a woman remain at home with her child.

MR FITZGERALD: Are there any final comments that you and Lillian would like to make?

MS ROBERTS (CWL): No, thanks. I think you've made me better.

MR FITZGERALD: Thank you very much for that. We appreciate that.

MS MacRAE: Thank you.

MR FITZGERALD: Ceri, if you could give your name and where you're from or any organisation you're representing. If you can speak up as loudly as you can. The microphones are not for volume, they're just for recording.

MS FLOWERS: Okay. I'm called Ceri Flowers and I am just here as an adoptive mother. What I would like to see is that the government legislates at all levels. So if there is a paid maternity leave offered to pregnant women that adoptive parents get the same equal leave, because what happens at the moment is you have somewhere between three and five hundred adoptions in Australia a year, and we all are in different states under different awards, work for different employers, and adoption has just been left behind. So often adoptive parents get six weeks' paid leave, and the pregnant parents will get 12 weeks' paid leave in some places.

I worked in the ACT and wrote to John Stanhope and he changed it, so in the ACT awards they have matching leave. I have been arguing with my current employer for three years and we still don't have equal leave for adoptive parents that the paid maternity leave gets. So with my employer, if you're pregnant, you get 26 weeks' paid leave; with adoptive leave you get six weeks' paid leave if your child is 46 weeks or over. The bulk of babies coming to Australia are over a year; very few babies are adopted under a year of age. So if we could legislate so that they were equal, then we wouldn't have to go to every award at every negotiation time and try and argue our point and try and have equality with pregnant people basically.

MS MacRAE: I'm just not sure I understood what you said. If your child was adopted over 46 months, you'd get the leave?

MS FLOWERS: Over 46 weeks.

MS MacRAE: Sorry.

MS FLOWERS: My employer has a sliding scale. So if you adopt a baby 26 weeks or younger, which is very few adoptions in Australia, because they're the local babies, then you have matching paid leave.

MS MacRAE: I see, okay.

MS FLOWERS: Then they have a sliding scale of week for week. So by the time the child is 46 weeks old, which is almost all babies coming into Australia, then you only get six weeks' paid leave. Their response to that was that 26 weeks' paid maternity leave was encouraged in large as part of affirmative action to assist retention of female staff after childbirth. So we have this problem that we're not having a birth, so everyone thinks that your responsibility as a mother is a lot less because you're not pregnant.

MR FITZGERALD: Can I just clarify this. At the moment all women are entitled to unpaid leave, the right to return to work, for 52 weeks.

MS FLOWERS: Yes.

MR FITZGERALD: As I understand that - but correct me if I'm wrong - that is applicable for adoptive mothers - - -

MS FLOWERS: Yes.

MR FITZGERALD: - - - up to the school age of children. Is that correct?

MS FLOWERS: Yes, you're actually required by all state and territory governments to take 52 weeks' leave when you adopt a child anyway.

MR FITZGERALD: Are you?

MS FLOWERS: Yes, because of the difficulties with bonding with, you know, 18-month-old babies. So you're obliged by state legislation to take 52 weeks off with the child; and under almost every award that I know of or state legislation, we are entitled to 52 weeks' unpaid leave.

MR FITZGERALD: Unpaid.

MS FLOWERS: The problem comes with paid leave equality.

MR FITZGERALD: Are you aware of whether that is capped or only applies to the adoption of the children up to about the age of six?

MS FLOWERS: I'm not sure, but certainly a lot of people, for paid leave they put age limits in, that's very common; and I think time off - because that comes under state legislation, so I'm not quite sure there, yes.

MR FITZGERALD: So to clarify, you're asking that if a maternity leave, paid leave arrangement is put in place, it would apply to adoptive - and just in this case - mothers, for the moment, for children of any age?

MS FLOWERS: Any age, definitely, yes. Once you start capping it, you have real problems, because they come in up to seven years sometimes. You might bring in a sibling group or older people adopting can bring in children up to seven or eight years. So by putting a cap on, you're always going to miss someone out. It might only be three people in the country, but again, it's fairly unfair. I mean, they're enormous and demanding once they're 18 months or older; they're actually more demanding than a baby, most of them. They take a lot of intensive parenting.

MR FITZGERALD: At the present time, if the government's policy is that you have to take the 52 weeks off anyway, does that also apply to children of any age - - -

MS FLOWERS: Yes, any adoption.

MR FITZGERALD: - - - and any circumstance?

MS FLOWERS: Except for known adoptions. But any unknown adoption, where your child - - -

MR FITZGERALD: Any unknown.

MS FLOWERS: - - - just arrives on your doorstep basically.

MR FITZGERALD: That's interesting. I wasn't aware of that.

MS FLOWERS: But I would also say father or mother to take the time, because often we split. I wouldn't just put "mother" in. Often parents split the leave between them, to help.

MR FITZGERALD: Yes, most of the submissions we're receiving so far talk about maternity leave and a much shorter period of time for paternity leave and some there also have a shared time, when either party can take that. But of course for adoptive children, you're saying that it should be flexible for either partner to be able to take.

MS FLOWERS: Because we aren't pregnant, so yes.

MR FITZGERALD: It's a bit tricky.

MS FLOWERS: Yes, but there are a lot of cases where adoptive fathers - especially with the older boys actually - take a big role in taking time off.

MR FITZGERALD: Could I just ask the nature of your current employer?

MS FLOWERS: Yes, I'm - they have asked me not to say who it is.

MR FITZGERALD: No, but it's a government institution or an academic institution?

MS FLOWERS: It's academic, yes.

MR FITZGERALD: Okay. So just again at the present time, for paid maternity

leave, that is a policy that has been negotiated as a collective arrangement with your facility, your employer.

MS FLOWERS: Yes.

MR FITZGERALD: Your arrangements, can you just explain to me again what they are, your arrangements for an adoptive parent are.

MS FLOWERS: So if we have a baby up to the age of 26 weeks, we get equal leave with pregnant women.

MR FITZGERALD: Right.

MS FLOWERS: From 26 weeks to 46 weeks they knock a week off, until you reach only six weeks' paid leave, so it's a deteriorating sliding scale.

MS MacRAE: Yes.

MR FITZGERALD: Yes.

MS FLOWERS: So by the time they baby is 46 weeks old at allocation, you only qualify for six weeks' leave. That's almost all babies coming into the country really.

MR FITZGERALD: Right. You may not have been around. Why was that agreement reached?

MS FLOWERS: This was actually put in place because I've asked them to; it used to be just six weeks for an adoptive baby, full stop.

MR FITZGERALD: Right.

MS FLOWERS: But adoption, there's very few in Australia now - - -

MR FITZGERALD: Sure.

MS FLOWERS: - - - and it has just been forgotten. So in most places, if you notify them that it has been forgotten - like, John Stanhope just changed things overnight. He'd just never noticed that it was different, and it just got changed overnight. It wasn't any hassle.

MR FITZGERALD: Okay.

MS FLOWERS: I would really like to see whether the paid maternity leave comes in - I just would like to see it legislated straightaway anyway so that we just don't

have to keep arguing with the unions on our behalf and an employer.

MS MacRAE: So just in relation to how the ACT law works - and this is me being totally ignorant of how this might be - is there a requirement in the ACT legislature that now says that if you were to make an agreement, you have to make the adoptive and the biological parents arrangements identical, or is it something different to that?

MS FLOWERS: I'm not sure. They just brought it in for every award that the ACT covered, so for Metrobus drivers - - -

MS MacRAE: Okay. So it has covered all existing awards. But if you were arguing a new one now, is there a requirement that they'd also be identical?

MS FLOWERS: Yes, because I think it has been in legislation that they all match now, I think.

MR FITZGERALD: Right.

MS FLOWERS: Yes, I'd have to check.

MR FITZGERALD: One of the issues that we're looking at is the issue of foster carers.

MS FLOWERS: Yes.

MR FITZGERALD: You may or may not have a view about that. This is a little more tricky than adoptive parents. But I wonder whether or not you've given any thought at all to the case of people taking on foster care, of very young children in particular, and there are issues here, because often foster care is of a temporary nature, it's a short-term nature, although increasingly it's longer term. I was wondering whether you had any thought about that area or not. You don't have to - - -

MS FLOWERS: I'd love to see any inquiry into foster care.

MR FITZGERALD: Can you just speak up a little bit.

MS FLOWERS: Sorry. I don't know, because they're so difficult, because they have children coming in and out.

MR FITZGERALD: Yes, okay.

MS FLOWERS: You know, I'd love to foster a child, but yes, it's so uncertain. The children might be there for two weeks; they might be there for six years or for

their whole life. So I'm not sure what the answer with foster children is.

MS MacRAE: Just under the current arrangements, if you were to adopt a child and then you adopted a second child, do you then have to take another 52 weeks?

MS FLOWERS: Yes.

MS MacRAE: You do, okay, so it's for every child.

MS FLOWERS: As soon as you're allocated, you're expected to take 52 weeks off with the child.

MS MacRAE: If you had more than one child entering at the same time, if you had like a family group, is that - - -

MS FLOWERS: Yes, that sort of 52 weeks for that sibling group, because they will all come in together.

MS MacRAE: Right, yes.

MS FLOWERS: Yes.

MS MacRAE: Just so I was clear about the current arrangements.

MR FITZGERALD: Clearly I think you've already indicated it, but the reason for this 52-week period that you're required to take off is based on attachment theory, bonding and attachment. One of the issues in this inquiry that's become very clear is that a lot of organisations have made the main focus of maternal and child wellbeing around the issues of breastfeeding. In fact, surprisingly less attention has been given to bonding and attachment, although the previous participants from the Catholic Women's League raised that. I was just wondering if you could just talk me through a little bit about how significant bonding and attachment issues are for that adoptive parent of children that are very young, under two, for example.

MS FLOWERS: I think adoption services do very well in screening applicants because when you go through the adoption process, you're told so many horrendous things, I don't know why anyone actually ends up adopting. It sounds horrendous. But when you go to the adoption functions, I think the parents are hugely committed and they do, they take whatever time off work they need. So it actually has nothing to do with breastfeeding from an adoption point of view.

MR FITZGERALD: Sure, absolutely.

MS FLOWERS: We had a friend who brought back a child from Ethiopia and it

screamed solidly for six weeks, the poor little girl, but the parents worked very, very hard. They were really committed. The children on a whole - I'd be interested in the statistics, but we have very few breakdowns in adoption in Australia. So I think there's something to be said for our screening process and that parent commitment is enormous to the children. So I think if someone had problems with a child attaching after a year, they'd just keep taking time off work. Adopting parents are usually very committed.

MS MacRAE: Yes.

MR FITZGERALD: Can I ask a question: are you entitled as an adoptive parent of a young child to the baby bonus at all?

MS FLOWERS: That changed with the Howard government. Our first son was adopted at 28 weeks and we weren't entitled because at that time they had a cut-off of 26 weeks. So we didn't receive a baby bonus for him. We lobbied very hard and they've changed it just to two years. So our second son, we were entitled to it, but his birth parents decided to take the bonus so we missed out on that. But again, there's a cut-off age group and I would say there should be no cut-off because the children just come in and, you know, if you're one week over - or in our case we were two weeks over the cut-off - it seems very unfair to miss out because there's an age bonus there. They used to miss out on immunisation bonuses because the children all came in unimmunised.

MR FITZGERALD: Right.

MS FLOWERS: So it depends.

MR FITZGERALD: Just to clarify that. At the moment the baby bonus is payable to an adoptive parent of a child under the age of two.

MS FLOWERS: Two, yes.

MR FITZGERALD: That's irrespective of whether the natural parent has in fact claimed it?

MS FLOWERS: No, as soon as a natural parent claims it, then you're not entitled to it.

MR FITZGERALD: That's it.

MS FLOWERS: Yes. You can take them to court through Centrelink, but that would be extremely detrimental to your long - I mean, I've got a relationship - - -

MR FITZGERALD: Your long-term relationship.

MS FLOWERS: - - - with my son's birth mum and there's no way I'd take her to court. I think it would damage things enormously, yes.

MS MacRAE: You probably wouldn't end up with much in your pocket after legal fees and things anyway.

MS FLOWERS: It would just be horrendous.

MS MacRAE: It would just be ridiculous.

MS FLOWERS: Yes. You want a relationship with the parents; it settles the child.

MS MacRAE: Yes.

MR FITZGERALD: Yes, that's fine. Any other comments or questions?

MS FLOWERS: No, except I'd love to see an inquiry into foster care.

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

MS MacRAE: Yes, thank you.

MS FLOWERS: Thanks.

MR FITZGERALD: Is there somebody in the audience that wants to make a formal comment?

MS COOKE: Yes.

MR FITZGERALD: You have to come down and give your name; just for five minutes and then we'll break for 25 minutes and then resume with Unions Tasmania.

MS COOKE: It's just a small comment.

MR FITZGERALD: That's all right, you're allowed to. If you could give your name and any organisation you represent.

MS COOKE: My name is Pamela Cooke. I'm just here as an observer but I was told that, you know, if you wanted to make a comment or give any feedback, you could.

MR FITZGERALD: You can.

MS MacRAE: Yes.

MS COOKE: We've heard I think the Catholic Women's League. Just listening to what Betty was saying and the link between the opportunity to breastfeed, you again brought that question up about adoptive parents and that time for bonding. Let's not forget that breastfeeding is not always possible in every case. Really, because I couldn't breastfeed my son, I find that link that everyone makes - all this bonding/breastfeeding business - when a lot of my friends had to bottle feed, when your biology fails you, it's not only this awful feeling that, "God, my body has let me down," but there seems to be also a bit of a judgment about breastfeeding as well. I returned to work and people said, "Did you bottle feed or did you breastfeed?" and then you go, "I bottle fed," and they go, "Tsk tsk tsk. Why did you do that?" You have to sort of explain yourself, "Well, actually, my whole body let me down and I couldn't actually do it in the end."

MR FITZGERALD: Sure.

MS COOKE: So it just disturbs me sometimes how this link comes back to bonding and breastfeeding. I mean, we shouldn't tie ourselves too much to the biology of it, because my husband was actually the primary carer of my son for the last five years since he was 12 months old. I was the one that returned to work and studied part-time and furthered my career. You know, I've finished university. I'm now an honours student writing a thesis related to this topic. So we've done a whole

sort of role reversal thing. I think that equally a man or a woman can do the job just as well. In fact, men are a very important part of raising children, so of course what you're saying about whether it's maternity/paternity payments, I think it just should be termed "paternity" rather than just - - -

MR FITZGERALD: Can I just ask the question - and we're certainly very conscious of the fact that many women are not able to breastfeed or choose not to breastfeed - but the issue people have said to us, that irrespective of that, the first three months of life really should be quarantined for leave for the mother. After that, there are different periods. But a number of groups have said to us that that first three months is really an exclusive period for the mother and child, whether the child is involved or not. I just wonder whether you have a comment about that.

MS COOKE: Yes, I do. I agree, yes, I think giving birth is kind of the easy part; it's everything else that follows that is the real hard stuff. Yes, I do agree and I think that yes, the first couple of months there, where the parent needs time to bond with their child and form that special attachment, it's really, really important. Yes, I think a payment should probably cover that, indeed.

But there was another thing that Betty brought up about child care. She gave the example of I think the Columbine tragedy; just the links made there kind of disturbed me because in actual fact it was only that my son was going to child care that it was picked up that he actually had autism spectrum disorder because when your child is with you every day, he's an only child and it's sometimes a very isolating thing that you're not aware of the development stages of all other children, so you're not actually aware of what - you know, you might think your child is developing fine, but it wasn't until we put him in the context of a place that concentrated on a child's development that they came to us and said, "Look, we think there's something not quite right with your son. You should go and get him checked out." As a result he had two years of therapy and he was diagnosed with autism spectrum disorder, so there's kind of the opposite intonation there as well. That's all I wanted to say.

MR FITZGERALD: Thank you very much for that.

MS MacRAE: Thank you.

MR FITZGERALD: Okay. We'll now adjourn for the next 25 minutes and then we'll resume at 12.30. We've got I think four presentations this afternoon, commencing with Unions Tasmania.

(Luncheon adjournment)

MR FITZGERALD: Thanks for that. If you could give your full names and the organisation you represent.

MR COCKER (UT): Thanks. My name is Simian Cocker. I'm the secretary of Unions Tasmania.

MS BRYANT (UT): My name is Angela Bryant. I'm one of the Vice-Presidents of Unions Tasmania.

MR FITZGERALD: Okay. Good. If you could give us your key points and then we can have a discussion.

MR COCKER (UT): Okay. Just briefly, Unions Tasmania is the peak organisation for unions in Tasmania and is the state branch of the Australian Council of Trade Unions. We represent approximately 50,000 union members across the public and private sector in Tasmania.

We are looking at this issue, and essentially I think the first question that needs to be asked is: do we want babies and do we want working women? It's quite clear that in Tasmania, women have a full range of choices to them, and it's also clear that there needs to be some adjustments on the part of society to recognise and facilitate that dual role.

The demographic situation in Tasmania is that Tasmania is faced with an ageing and shrinking workforce. I think it's only about three years away, on current trends, when the number of workers entering the Tasmanian workforce will be less than the numbers leaving it for the first time ever. That is purely a function of ageing, so our workforce is going to become smaller. We also have a demographic gap in Tasmania in the 25 to 35-year-old age bracket, where a number of young people leave Tasmania; of course they are prime child years. All of that adds up to the fact that we have got both a skill and labour shortage looming, if not already, and the evidence is I think irrefutable that we need women to work. Equally, of course, to maintain a functioning and valid society, we need women to have babies.

We also I think need to recognise that the role of fathers has changed and we need to facilitate their participation in early childhood. There are of course a number of other adjustments that are needed, including the introduction of forms of paid and unpaid leave, but this reference is looking at that issue, I guess, the paid and unpaid leave, so we'll address those.

In broad terms, we believe that there is a very strong case for the payment of paid parental leave. With maternity leave, there is increasing volumes of evidence that paid maternity leave will increase women's participation in the labour market and as we've just seen, the labour market is becoming increasingly dependent upon

that contribution. It plays a role in the retention of women in the labour market and again, that is important.

According to Dr Barbara Pocock, in her submission, *A Time to Act: Paid Maternity Leave For All South Australian Women*, she found that maternity leave assists employers by increasing labour market attachment, increasing employee loyalty and lowering the costs of turnover and recruitment. Also according to international research, the evidence on the positive effects of paid maternity leave is increasing. It can help increase fertility, help reconcile working families, increase women's employment, increase equal opportunities, reduce inequality among women and improve the health and wellbeing of women, infants and children.

It is particularly important to note that there are improved health outcomes for both the mother and child. Recovery from childbirth is supported by access to paid leave, as is bonding with the new baby, and of course there is the issue of breastfeeding. Studies suggest there is a link between return to work and the cessation of breastfeeding. The World Health Organisation currently recommends that babies are breastfed for up to six months and paid maternity leave can facilitate that bonding and enable breastfeeding to become well established.

We also believe that it contributes to a greater workforce equality. Women out of the workforce have a loss of relevance skills, can lose confidence, have difficulty building a career and they have a drop in lifetime earnings and consequently their superannuation. Australia and the United States are the last of the OECD countries without a national system of paid leave available to working women. We're lagging well behind international standards. As a first-world economy, Australia is well overdue for dealing with these issues. 28 countries also provide birth grants on top of paid maternity leave to assist with the costs of having children.

Income stability during a period of financial insecurity is very important. The time of having a baby and bringing a new child into the family home is both a wonderful time but also a very stressful one, both financially and in adjusting to the new demands of living. We believe there's very strong public support for the introduction of paternity leave. Some 75 per cent of Australians are indicating they're in favour of a paid paternity leave scheme. There is a body of evidence and a number of good reasons why this should be happening.

Unions Tasmania is supportive of and promoting the Act's policy position on paid maternity leave which essentially is that all mothers, whether in paid work or not, should receive the equivalent of 14 weeks' pay at the federal minimum wage. That's currently \$522. The minimum wage in Tasmania is \$526 but we're actually talking about the federal one. 9 per cent super should be paid on that money as normal earnings.

Working mothers should receive a top-up to ordinary time earnings funded by the employer as part of the national employment standards legislation; that is, where they are earning more than \$522 a week, there should be a top-up to their ordinary weekly earnings. Long service leave, annual leave and sick leave entitlements accrued while working should accrue while receiving maternity leave as part of the national employment standards legislation.

We believe that this scheme should be funded by the federal government. The government should roll the current baby bonus into a paid maternity leave 14-week scheme which would cost approximately just over \$7000, so that it's an increased contribution for the federal government, plus super, and it should be payable to all mothers, whether in paid work or not, fortnightly. As I said, the additional cost is only the increase between the current baby bonus scheduled to go to \$5000 on 1 July and the cost of \$7200 for the full 14-week scheme.

In terms of employer contribution, currently some workers have nothing, some have 12 weeks, some have more. What we would require would be that employers top up the 14 weeks' pay to ordinary time earnings and that those contributions be received as fortnightly pay. I will deal with it a little bit more in the Tasmanian context, but we actually believe that the cost to employers is fairly low in this scheme. Certainly for people working on the federal minimum wage, there is no cost, a small cost to people on the medium income and of course the costs higher-paid women, but it's quite likely that higher-paid women, professional women, may well already have a scheme in place.

We believe that this federally funded paid maternity leave should be paid to all mothers, regardless of length of service with their current employer. Issues of an eligibility period for top-ups is something that needs to be considered further. The paid maternity leave figure should be the same, whether people are full-time, part-time or casual. It would then be open for unions and workers to bargain for further benefit on top of the minimum standard.

A couple of clarifications on top of what I've just said: firstly, it is not appropriate that the federal government component merely be absorbed into current existing schemes. It should be paid in addition, so that where a woman currently has a 12 weeks' paid maternity leave scheme, then this 14 weeks would take that out to a total of 26. It would be in addition. Where somebody has currently got a 12-week scheme, then there would be a little bit of top-up for weeks 13 and 14, between their current wage and the minimum standard that's been established. Of course then the option should be left open to be able to negotiate, whether you take that at full pay, half pay or whatever, and the option is there to spread that over a full period of what would otherwise be unpaid maternity leave by taking it at a part-time rate.

We also submit that in an enlightened society, the role of a father in child

raising is recognised. As I said, bringing a new child into the home is both a wonderful and a disruptive time. Paid leave for the father, if he is not the primary carer, should be government funded under a similar scheme for a period of four weeks.

The other issue of course is adoption. We would submit that the maternity leave scheme should also apply to parents who adopt. In this case, the time needed to physically recover from birth isn't relevant, but time for the establishment of family bonding is critical. The more complex bonding issues in adoption have to be taken into account and the scheme should be extended to adopting parents. Perhaps the allocation of the period under the 14 weeks could be negotiated with the two carers involved.

These comments have all of course referred to the traditional family model, father, mother and child. While this is a majority model, it's certainly not the only one. Other models we have include sole parents, same-sex couples and single parent with assisting grandparents, and we need to consider providing a family with flexibility that acknowledges those range of family structures. The number of one-parent families is increasing. In 2006 the ABS census found it was at 15.8 per cent of families, up from 14.5 in the previous survey. So the merit of a scheme that is prepared to pay a non-primary alternate carer four weeks' leave should be considered, particularly in terms of supporting a family with a new child.

To turn to Tasmania specifically, because that's our brief as Unions Tasmania, just a little bit of analysis of where women do work in Tasmania. We have approximately 250,000 women in Tasmania. Of those, 96,000 are in the age bracket 16 to 45 which may be considered the prime child-raising ages. Of the 250,000 women there are approximately 107,000 in the workforce; another 5000 unemployed. Of those in the workforce, 54,400 are currently employed full-time and 47,400 are employed part-time. It's very close to half and half. The participation rate for working women in Tasmania is only 53.8 per cent. Participation in that age bracket of 16 to 45 does vary but it sits at around about 70 per cent.

There are six major industries that employ 70 per cent of women in Tasmania. The largest of those is the health and community services area where we find there's a ratio of around about 55:45 full-time to part-time. The second-largest is retail, and again we've got that 55:45 ratio full-time to part-time. Education is at about 11,000 with a ratio of about 70:30 full-time to part-time. Then we have about 8000 government admin; 7000 property and business services; six and a half thousand work in hospitality, accommodation, cafes and restaurants and again we've got about a 50:50 ratio of full-time to part-time in that area. In manufacturing there about 5000 women working. The ratio of course of full-time to part-time or the number of part-time workers is quite significant when it comes to working out what the top-ups may be for employers under this scheme.

So actually having babies in Tasmania, there has been a gradual increase over the last four years of the birthrate; whether that's a response to federal government incentives or possibly the intergenerational delay catch-up is open to conjecture. But the figure is sitting around about six and a half thousand births a year. It's also I guess interesting to note that the fertility rate in the economically less successful regions of Tasmania is much higher. In Mersey-Lyell, which covers the federal seat of Braddon which is recognised as one of the electorates with the lowest income in Australia, the fertility rate is something like about 20 per cent higher than it is in Hobart.

If we take that figure, the six and a half thousand, and have look at the number of births, you make a very conservative assumption that the distribution of babies is equal between women in the workforce and women not in the workforce, and I say that's conservative because if you're not in the workforce, these figures suggest you're probably having more babies. But if we make that conservative assumption, we'd probably find about four and a half thousand women qualifying for maternity leave in Tasmania each year, and the other 2000 would qualify for the minimum wage payment.

To try and break that down a little bit further to work out who's paying for what, the full scheme paid to six and a half thousand women a year would cost around about 47, 48 million dollars in Tasmania. By rolling in the current baby bonus, that's an additional cost of only about \$15 million. Of that six and a half thousand people, the employers would not be paying anything under this scheme for workers not currently in the paid workforce, about 2000; those currently earning less than the minimum wage each week; those already receiving 14 weeks or more of paid leave, and there would be a small top-up for weeks 13 and 14 for those already 12 weeks already. There would be a full top-up for those who currently earn more than \$522 a week but don't have maternity leave.

To try and crunch those numbers further to get a feel for how many people that actually might mean is difficult. But at an estimate, I believe that probably around about 1500 women would be in that category of top-up. I say that because when you look at earnings in Tasmania, based on the ABS average weekly earnings survey, the last one released covering November 2007, the full-time total earnings for women in Tasmania is \$960 a week, but the total earnings including full-time and part-time drops to 613. It's pretty simple maths, given that we've got a 53:47 split between full-time and part-time to recognise that the part-time wage for nearly most women is going to be less than the \$522 a week. In that case we're saying the vast majority of part-time women would be funded by the federal payment without top-up.

We also know that 515 women took paid maternity leave from the Tasmanian State Service in 2006-2007. So there's another 500 that are already in a fully-funded

paid-up scheme. So you're already now well under 2000 in the remaining pool. Of those 2000, of course quite a few will be covered by the federal government employment scheme, local government employment schemes and a number of professional women will have schemes; nurses et cetera will have schemes already. So I suspect that by the time you work down through that list, you're well under 1500 women who employers would be requiring to pay some level of top-up or further contribution. We would submit that that's probably something that's quite affordable. Given that the employment and labour market situation in Tasmania is such that women need every encouragement to participate and remain in the workforce, it's quite arguably a small price to pay. So that's my formal statement to the commission.

MR FITZGERALD: Good, thank you very much. That's terrific. Angela might want to lead off.

MS MacRAE: I guess one of the sort of tensions in your commentary on your scheme is whether you think it's beneficial for women to be home longer with their children and that maternity leave might give you that outcome with potentially better maternal and child health, but at the same time the tension of requiring them to be back at work and producing for Tasmania and I guess how did you strike the balance between those two things and what outcomes do you think you'd see for your scheme in terms of both the length of leave that women might take compared to what they do now, and I guess then the sort of pluses and minuses from a maternal and child health view of that.

MR COCKER (UT): Look, I go, I agree with you. It is a tension. It's a dual role and they're both important and necessary roles for the economy and society generally. But I think the health of the mother is a critical issue. I think there's a lot of evidence that breastfeeding is very important for the development of the child. So I think you need to have those thoughts in mind as a minimum. How you take that further step and say okay, well, 12 months is a good time frame, I guess that is a little bit arbitrary. But at the end of the day, what we need to be doing is removing obstacles to employment.

As I referred to, there is evidence that connection to the workforce has increased through having periods of paid leave and people are therefore more likely to return to work. If it just gets simply too hard to return to work, then people will throw their hands up and say, "Well, I can't be bothered," particularly when you look at the Tasmanian workforce and you see nearly half of women are working part-time and probably under \$522 a week already. You know, if they learn to cope without, then returning to work becomes less attractive. I think there's an important element of keeping the workforce attractive in that.

MS MacRAE: Just in terms of the potential absorption, I think I misunderstood in

part what you were saying. So for the people covered by the Tasmania government awards, you were saying there would be no absorption, but then when you were looking at your costings and what it might cost for top-ups, you're assuming some level of absorption? Was that how that worked?

MR COCKER (UT): No. The minimum standard is the 14 weeks at the federal minimum wage. Now, if people have already got a scheme, that's in addition. For example, Coles Myer pays six weeks' paid maternity leave to its employees, so that would give a period of 20 weeks. Then we would have to consider the element of top-up. In that six-week case, there would be eight weeks of top-up which would take the total to 14 weeks and then the balance.

MS MacRAE: Right.

MR COCKER (UT): There is no absorption as such. I guess the employer isn't required to make a contribution if the worker has a weekly income of 522.

MS MacRAE: Yes.

MR FITZGERALD: Just on the absorption, I understand that people and a number of unions have indicated the same as you have, that is, that any new scheme would be over and above that which has already been subject to agreement or voluntarily provided, but the difficulty with that is that you potentially disadvantage those firms that have moved ahead of the pack. So in the last couple of weeks we have had both the Myer group and the Aldi group introduce some new schemes for their workers, both very different in nature. It strikes me that the employer groups will fiercely oppose the notion that simply because they acted ahead of the government announcement, they are now penalised, rather than if you allowed some absorption, they may negotiate with their employees to pay additional to that. But the notion of absolute no absorption almost seems to penalise those that have moved ahead of other employers and that seems, particularly in the retail industry where there's only been movement recently, a disincentive for any firms to voluntarily enter into arrangements, certainly between now and whenever the government makes an announcement, because they would be penalised by that.

MR COCKER (UT): You could call it a penalty. The standard maternity leave period is normally 12 weeks, and in most cases we're talking about a top-up for weeks 13 and 14 only. But the benefit of course is that for those people, they're going to have their employees on 26 weeks of paid leave and the connectedness et cetera et cetera of the workforce is quite likely to be a lot stronger than somebody who is on a much lesser period. If you learn to live and cope without a regular income, the workforce probably becomes less attractive. The longer you're on paid income, the more likely I think that you are to stay connected to the workforce and to return to work.

What we see as desirable is to establish a minimum standard for all mothers, full stop. I would see it as being a disadvantage to those who currently have a scheme if the current scheme was absorbed into that 14 weeks. The 14 weeks is being funded by the federal government; that is, the community is paying for the benefit and that's because we recognise that there is a significant social benefit in doing these things, encouraging both workforce participation and having children. There's no argument that I can see that says, "Because this minimum standard is brought in, then the current scheme should be absorbed into it." That's going backwards.

MR FITZGERALD: But you recognise that an employer between now and whenever this occurs, if it were to occur, would be potentially unwise to enter into any voluntary agreements because under your proposal, that will just be added on, whereas if they wait and the federal government introduced a scheme, then in fact that would be the minimum and they could negotiate over and above that.

MR COCKER (UT): Yes, I do understand your point.

MR FITZGERALD: Yes, I just find that interesting.

MR COCKER (UT): I guess I'd simply say that in this era of a competitive labour market, those who want to appear attractive will offer better terms.

MR FITZGERALD: Yes, except under your scheme, they have to, so there's a difference with the words. But the second issue about that, just the top-up, is an issue. I mean, we've spoken to a number of employer groups and I notice the Tasmanian Chamber of Commerce is appearing later - I don't know what their views are at this stage - but a lot of employer groups have said, "Look, we're prepared to accept paid maternity and paternity leave if the government funds it," which is not a surprising response.

MR COCKER (UT): That's very kind of them.

MR FITZGERALD: Their view is that this is a window of opportunity where both the employee or unions and the employers can agree on something, but the minute we mention compulsory top-ups, the shutters come down and the doors close and the windows get blocked. You've tried to indicate that only up to 1500 women potentially would receive a top-up in the Tasmanian context, but I'm just wondering whether or not a compulsory top-up is appropriate at this early stage, given that we have no scheme at all at the present time. Some would say that what one should be going for is the minimalist approach and then over time, see what happens. I'm just wondering whether you could reflect why you believe compulsory top-up is desirable at this stage.

MR COCKER (UT): I guess what I'd say to you is that I think the position that we've put here is affordable, practical and establishes a minimum standard. If we move then to top-ups, you're arguing that that's going beyond the minimum standard and may create some opposition and I guess that's probably right, but that's one of those judgments at the end of the day that somebody has to make, as to whether it's desirable to proceed down that path and whether it's affordable. I don't think there's ever been any advance in working conditions in Australia that hasn't been opposed. You know, they come, they form part of the set-up and, notwithstanding recent experience, they generally stay there. It's almost mandatory, I would have thought, for organisations like the chamber to oppose additional cost burdens to employers.

MR FITZGERALD: An issue though, I suppose - and we've had COSBOA this morning - is the particular burden on small business. Now, of your 1500 that would obtain an additional top-up over and above that which they receive now, I'm not sure what percentage that would be of small business, but given it's Tasmania, it's likely to be relatively high. What's your view where small business - and you're right, this is not a new position, but in relation to this thing - say that really, the burden is not affordable on small business, they're happy with the government contribution, but over and above that, believe that it imposes a particular burden on small business, not a new argument, but in this case, what's your view about the validity of that argument, given this is a payment of a different nature?

MR COCKER (UT): I guess to really nail a reply to that, we'd need to drill further into the numbers, but we know the average wage, average weekly earnings for women in Tasmania, is \$613, I think, a week. So the difference on average between 522, with the current federal minimum wage, and the 613, is \$91, so in terms of top-up, we're talking about, if people have already got 12 week's pay, weeks 13 and 14, so on average, a top-up of \$90 a week. Now, that's not going to hurt anybody. When you talk about averages, of course, you've got a range and some will pay more than that and some will pay nothing, but on average, I'd submit that \$90 a week is not going to hurt a small business.

MR FITZGERALD: One or two of the submissions we've received so far, and we'll get more of them, have encouraged us to a view that if the government puts in a minimum, as you indicate, say, to the minimum wage level, that any payment over and above that should come from a social insurance type arrangement which exists in many other countries in the world, so that you share the burden across all employers and effectively it's a levy either on wages and/or payrolls - but at the end of the day, I suspect it's a levy on payrolls - and that shares the burden, so that you don't have those employers that employ a disproportionate number of women in that particular age group and so on, so I'm wondering whether you have a view about the social insurance models that some are putting forward.

MR COCKER (UT): I don't have a formal view, but I'd certainly say it's an idea with merit that should be explored.

MR FITZGERALD: Angela.

MS MacRAE: I guess the only other thing is the top-ups - I know we're talking averages, but if they're relatively small - well, one thing I guess the first point is that not everyone is currently entitled to the 12 weeks, so there's potentially a bigger payout there. But I just wondered if you'd looked at the admin side of this as well, in that if it's only going to be a relatively small amount for a relatively small number of people - I mean, at the moment, the eligibility is to be considered and that whole question could complicate things and make the admin relatively expensive if the potential payout, the top-ups, are going to be relatively small, especially to those we might think probably might be most in need of them, and the lower income end are going to be just reliant on the government payment. There won't be a top-up for them because they won't be earning more than the average. Is that benefit to what will be, relatively speaking, the upper end of the income scale going to be worth it for the admin costs and the payment that's made to that end? I guess those are trade-offs.

MR COCKER (UT): I certainly would say that is an issue because we know small and medium-sized business generally struggle with HR-type issues.

MS MacRAE: Yes.

MR COCKER (UT): I guess it comes down to the quality of advice they have got available to them to do these things. Where do you draw a line and say, "We won't top up because it's too small"? It's probably harder to do it that way than it is to sort of work it around. Yes, I can see that there's an issue.

MR FITZGERALD: Thanks for that. I'm sorry about the late start. I look forward to receiving the submission, particularly in relation to the Tasmanian elements and the numbers that you've put forward today. We'll be very interested in that. It has a different profile, this state, than a number of the others, so we're particularly interested to look at how any proposal at all would impact on various parts of the labour market generally, but also any regional implications as well, so we'd be very grateful for those. Are there any other last comments from anyone? Thank you very much for that.

MR COCKER (UT): Thank you for your time.

MS BRYANT (UT): Thank you.

MR FITZGERALD: Have we got the National Council of Women?

MS MacRAE: Just give your name and any organisation you represent and then we'll take some opening comments.

MS KELLY (NCWT): I'm Dorothy Kelly and I'm president of the National Council of Women.

MS SMYTH (NCWT): I'm Eris Smyth. I'm the secretary of the National Council of Women.

MS GRANT (NCWT): I'm Linley Grant and I'm the adviser for health for the National Council of Women of Tasmania, we should say.

MS KELLY (NCWT): Yes, NCWT. First of all, I'd like to say thank you for the opportunity to come and present our submission. These are thoughts that we have put together and we intend to do a more formal submission with more references et cetera, so these are a few of our preliminary thoughts.

MS MacRAE: Thank you for that.

MS KELLY (NCWT): Several members of our organisation met to discuss the issues paper. We are all mothers, have been in the paid workforce, so we feel qualified to give an opinion on this topic. We feel that children are the country's most important asset. The wellbeing of babies and their mothers should be the paramount consideration. Maternity leave needs to be considered from the point of view of the future wellbeing of each baby.

I notice in part of your blurb that you are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole. We feel in this particular instance, children are probably the most important part of a community as such. It appears families are getting smaller. According to the paper, we're having 1.8 children, so it's more important to support them so that we don't have the situation of only one-child families where, in the long term, we aren't replicating ourselves.

There is a large amount of research from the 1940s on showing how critical bonding is to babies with their mothers and significant others. Mothers who have to return to the workforce due to economic necessity or other reasons and leave their babies in care, it can be a devastating experience for them. It is not conducive to concentrating during their working day if they are concerned or unhappy or feel deprived that they are not with their babies, and this would not be conducive for productivity in the workplace.

Now, as far as your paper goes, the assumptions in the definitions, members felt the term "working" used in the paper perpetuates an outdated idea that only marketplace work is considered to be work. We feel that the term "working families" should not be restricted to those in paid employment, even when identical jobs are being performed in the paid and unpaid area; for example, the physical caring for babies, toddlers and young children. Only those receiving payment are deemed to be working. There is no attempt to recognise the economic value of unpaid labour. The analysis of the measurement of unpaid labour in the time use surveys - they have been in 1992 and 1997 - indicate that women provide 344 million hours of physical and emotional support for others and that increased to 554 million by the year 1997. Duncan Ironmonger has given an excellent analysis of these figures. Previous time use surveys were conducted every five years but the previous government decided to extend it to one every 12 years and after many years and much lobbying by different groups, there was a question of unpaid work put into the previous census but apparently the Bureau of Statistics is now reviewing questions for the next census in 2011 and that is one question they propose to eliminate.

We've mentioned breastfeeding but there doesn't seem to be much more on development for children. Experts agree breastfeeding is preferred but obviously not all mothers are able, for a variety of reasons, but every encouragement and opportunity should be given for this to happen. If a mother intends to work when a baby is only weeks old, it greatly reduces the capacity for this to happen. Many mothers would be disinclined to attempt breastfeeding, knowing they would need to cease after a short time.

The World Health Organisation and ILO recommended an absence from work for four months, but in another part of your report, you mentioned that they should breastfeed for six months, so there's a bit of a difference there. But we would suggest that this is a minimum time period and that they may choose it as an achievable goal, rather than a perfect solution.

The eligibility for payment, we recommend a universal payment to all mothers, whether in the paid workforce or not, for six months following the birth of a child and the amount to be based on the minimum wage. We also recommend up to three years of unpaid leave with some provisions for a return to the relinquished job or one of a similar status - that would need to be negotiated - and payment of the government subsidy to child care institutions to be available to all parents, whether the child is being looked after in child care or looked after by the mother at home for a period of up to three years; assistance after that, going on to kindergarten as well as more formalised early child care, up to the child attending formal school.

Superannuation: split payments with earning and non-earning spouse, including common law couples while the mother is home looking after a child; this also aids women, continuing to build their superannuation when not in the paid

workforce. Funding for superannuation is essential, as we know this generation will need to fund their own retirement.

One of our affiliates, the Women's Action Alliance, has done a lot of work on this proposal to assist women who wish to remain at home when the children are young. As an aside to that, one of the benefits is that if the accounts are in two names should the couple divorce; it's already there. They need to know who's going to get what.

Funding: already taxpayers fund, either directly or indirectly, most maternity leave, whether it's at a federal, state or local government level, so we feel the government should fund this proposal. We suggest using either the current big surplus to establish a child fund, similar to the Future Fund or the University Fund, or a small increase in the Medicare levy, paid by all, to be quarantined for payment of maternity and paternity leave. Government funding would particularly aid small businesses who usually find it difficult when an employee is off on maternity leave. They could be paying twice if they offer paid maternity leave and then fund a replacement and because of that, businesses may think twice when employing women of child-bearing age. This would also help those that do not presently qualify for paid maternity leave; for example, casuals. We also recommend payment of paternity leave for fathers, or whichever, for a period of two weeks on the birth of the child, and two weeks per year could be paid out of the same public money, all based on the minimum wage and not on salary levels, that could be a matter of negotiation with employers. Thank you. I think Eris has something more to say.

MS SMYTH (NCWT): No., I haven't got a great deal more to say. But we had a lot of fun when we heard that the Productivity Commission was going to look into this. We thought, "They're going to lower the gestation period, they're going to require all mothers to have multiple births," and we thought, "There's absolutely nothing to stop them from having surrogacy farming, where those of us who are made of lesser clay will bear the children and those all climbing up to the glass ceiling will not have to bother with the long period of nine months." However, we overcame that and were looking forward to the paper.

I said, "Look, the Productivity Commission will be taking into account the whole of the productivity of the nation," but you didn't in the paper, you didn't give anything at all to what Duncan Ironmonger said. You didn't look overseas to see that even the Germans said that 55 per cent of their GDP was contributed by the non-paid workforce, so that didn't come into it. I had a lot of trouble, and I'm speaking for myself actually, with the paper. First of all, I found the language discriminatory. On page 7, I think, you talk about non-working families, non-working mothers. Now, I worked all my life and the hardest job that I ever had was looking after my children, during which time I had plenty of time for study and all sorts of other things as well; they were not isolated. All my children were looked after by me and not put

into child care. So it just seemed to me that no account was taken of that in your paper, and to refer to mothers as "non-working" was quite discriminatory, and frankly, it was insulting, to say the least.

Also I was very amused to see your references. When you were talking about breastfeeding, you went to the economic journal. Now, I would have thought that really if you were going to look at breastfeeding, you would have looked at a wider range of references than only the economic aspect. I mean, I do know that evidently in America you can earn up to \$250 for a litre of breast milk, which is quite high productivity in a way. I mean, if only we could all do that.

Also in the paper you seem to refer to breastfeeding as the only way of bonding with the children. Now, as someone who could breastfeed some of her children and not others, I found that it was very important for the bonding. Now, several of us are on the board of one of our affiliates, which is Caroline House, which was a home for drug and alcohol women, and we expanded it then to take in drug and alcohol women and their children. Even the most neglected and the most abused children who came to us had this special feeling for their mothers. The need of them to have one person that they could relate to was overwhelming. We had one little boy whose mother was often "hip", I think we used to call it, and getting drunk when she shouldn't have been, and he used to say, "If you let me go with you when you picked her up, she might come without a fuss," and it just seemed to me that your paper didn't address that, you only looked at breastfeeding. So who is going to write the report? The people who wrote this paper, or others? Are you going to write it?

MR FITZGERALD: Have you got any other comments?

MS SMYTH (NCWT): Well, it just seemed to me that the whole thrust was there was nothing in the paper to support the attachment of women to looking after their children. The whole thrust of it seemed to be to look at the attachment of women to the paid workforce, and I wonder if you're going to address that as well.

MR FITZGERALD: Any other comments?

MS SMYTH (NCWT): No.

MR FITZGERALD: Sorry, I will come back to those, but - - -

MS SMYTH (NCWT): Right. Anyway, that's all I wanted to say.

MR FITZGERALD: - - - just this is your chance to give us the comments. That's all right.

MS SMYTH (NCWT): As I said, there are lots of things in the paper - - -

MR FITZGERALD: And I will come back to some of those shortly.

MS SMYTH (NCWT): - - - that we had a lot of fun with, by the way. But nevertheless, we are hopeful, and we are grateful for the opportunity to put in a written submission and to also appear before you, so I thank you.

MS GRANT (NCWT): Thank you. I will be putting it in a written submission. I am a trained nurse. I've worked in the burns unit in the hospital here for 25 years and I also worked with just mentally - they weren't disabled but they were damaged - children in England, because they had had a succession of carers. Those carers lived in the homes with the parents, but those children had lost bonding, and I worked with psychiatrists for those three years and saw the damage that did.

I also went to visit a friend in Germany and saw the effects of what had happened to the children born of the Lebensborn program in Germany during the war, it was absolutely devastating. There were thousands of children born to airmen and all sorts of people. Those babies were born healthy, genetically sound, and within a few years after the war they were practically all dead, from emotional disability as much as anything, because of the succession of carers. They had had the best of care, in terms of their physical needs, but they had no bonding. It has been brought home so many times that the children in our prisons, the children in our refuges, are there because they have lost bonding, and we pay for that as a nation. We have got to balance that cost out. If we put the money into maternity leave, proper maternity leave, and care for those babies as they were meant to be cared for - if the mother can't do it, then we have to have some other process whereby the baby doesn't lose bonding with somebody. If we can't do that, we have failed as a nation.

It happened in the communist countries, and it happened in Israel, they're putting into child care because of the effect it had on bonding and the troubles they had with teenaged Israeli youngsters; they did the same in the communist countries. So that we as a nation are perpetuating what we did to our Aboriginal children, we are perpetuating what we have done to hundreds and thousands of babies that have been taken away from their families, and we are doing it again and we can't afford to as a nation. So my point is that as a nation, we have to help mothers to stay at home or provide bonding care for those babies, so that they don't grow up emotionally starved and emotionally damaged. That's where I'm coming from, and I shall write a big submission.

MR FITZGERALD: That's fine. Thanks for that. Just a couple of comments: the issue in relation to the term "working", we understand your point you're raising, except that the language is very difficult to find alternative words for, and I will explain why that is. Our inquiry picks up those that are obviously in employment, but it also picks up those that are contractors, those that are self-employed, and in a

broad sense, the community uses that term as "working", as distinct from those that are not in the paid workforce. So there's a language and we acknowledge what you say, and I'd be very grateful in your submission for you to give us a new way of expressing that.

But the inquiry did come from the issue about those women particularly who are in what we call the workforce; that is, be they employees, self-employed, contractors or so on and so forth. The inquiry however is not exclusive to that, it is to look at those that are at home, and we acknowledge absolutely that they're working. Now, the fact is the GDP doesn't pick that up, that's right; we don't have an economic value associated with that particular work, that's true. But I don't think that the language is meant to in any way reflect upon either. Having said that, that issue has come up in the inquiry already and will continue to come up.

The other point, coming back to your submission, is you've said a universal payment for all mothers and fathers. Some would argue that in fact there needs to be a differential between those that are in the paid workforce, to use that expression, and those that are not, because there are different circumstances. One is about recognition of the wellbeing of the child, the other is about recognition of the wellbeing of the child and the continuity of employment for the woman. So that there are two issues at stake, not just child wellbeing but the interests of the woman as a worker in the paid workforce. So I was just wondering whether you could reflect on that because you can say it's a universal payment, it's absolutely equal, or you could say yes, we recognise that both are important, but over and above that, the employment of women is an important issue in and of itself and needs to be treated slightly separately. I was just wondering whether you have a comment or view about that.

MS KELLY (NCWT): Well, it is important for paid employment. In a lot of cases women will go back to work, but I think it's the first few years of a child's life that is most important. I note somebody mentioned about losing skills and things like that. Well, there's no reason why - well, to take typing for instance, you can pick that up quick smart; you can have training before you go back. But probably most women will get back in the paid workforce. That's what happens these days, because you need to, so it will follow on. But in the meantime when you are having children, they should be the primary concern for that period.

MS SMYTH (NCWT): Yes. I really agree with that and I agree with what the unions were saying also, that there could be some negotiation on the top-up. But we're looking at it from the broadest aspect. I mean, in Norway, because of the international nature of the National Council of Women, we're in constant contact with Jana Matlery who used to be in the parliament et cetera. Now, in 2004 they introduced there not only the paid maternity leave but also whatever the government pays to the child care institution for institutional child care. The mother has the

option, and as you know, both in Finland and in Norway and to a lesser extent, as I understand it, in Sweden the mothers did take that.

Now, we're associated with Caroline House and we have constant recognition of the fact our staff need training, that they must be constantly trained. Now, when you're in the home, you'd think that you never picked up any skills, to hear some - you know, not only in your paper and others. But I can assure you that when you're in the home actually working with the children, your skill level rises to a great extent, because how can you possibly negotiate the needs of your husband, the needs of the children and needs of this, that and the other without developing great budgeting skills, without becoming a diplomat, if you know what I mean, without understanding the psychology of the child. You are not there as a dead thing, you know, just doing something, you are acquiring skills. I can remember Jocelyn Newman telling us once when we were visiting her that she employed married women with children because they were the most capable. So it seems to me that when you're in the home, you're building up your skills as well. So this question of this technological unskilling, I think it can be very easily addressed.

MS GRANT (NCWT): I've worked with people who have come back to work all my life and if they were good nurses, it didn't take them very long. That's hundreds of them. It didn't take them very long to acquire the skills they needed to get back in the workforce. But most nurses with children preferred to work part-time - - -

MS KELLY (NCWT): Yes, that's important. It really is important.

MS GRANT (NCWT): - - - and that's really the only, only option for those who really want to care for their children. It's still not ideal. But if a person has got any intelligence at all, they'll soon be a valuable resource and soon reacquire their skills.

MR FITZGERALD: Can I ask this question: if you see no distinction at all between women in the paid workforce and women in the unpaid workforce, to use your framework, why would we simply not increase the baby bonus and be done with it? Why do we need a maternity leave scheme at all? In other words, the baby bonus is universal. It goes to 250,000 babies born each year, or 260,000. Why do we not simply increase the amount? Why do we need a maternity leave scheme over and above simply a baby bonus, because in a sense it might do what you want. Now, there's a lot of criticism of the baby bonus, but in a sense it's a universal payment. You can use it however you like. It doesn't matter what part of the workforce you're in, paid or unpaid. Why do we need a leave scheme? It's a question, not a comment.

MS KELLY (NCWT): In one respect I think it's probably because I'm thinking it's discriminatory. Everybody gets the baby bonus, true. But women that are in the paid workforce, a lot of them get 12 months' paid leave as well. So it should be

either everybody gets it, or everybody doesn't.

MR FITZGERALD: Sorry, but even if we introduced a paid maternity leave scheme, some employers will top that up voluntarily, or because of a collective agreement. So we'll always have employed women who will be receiving more than a woman who's at home. The government contribution might be the same, but that's always going to be the case, isn't it.

MS KELLY (NCWT): But it wouldn't be quite so different though, would it, because if a person is at home and has a child, she doesn't get any paid maternity leave, but a person that's in the workforce gets paid maternity leave for 12 weeks.

MR FITZGERALD: Currently.

MS KELLY (NCWT): Yes.

MR FITZGERALD: But nearly all the submissions that we've heard so far are saying that you have to make payment to the woman who is also not in employment.

MS KELLY (NCWT): That's good. I'm surprised, actually.

MR FITZGERALD: I mean, I'm not suggesting that's our answer.

MS KELLY (NCWT): No.

MR FITZGERALD: But I'm saying that seems to be the universal position, doesn't it.

MS KELLY (NCWT): Yes.

MR FITZGERALD: But it's just an interesting concept because, I mean, in a sense we've seen an interesting paper from New Zealand which has actually said that our system currently is a better system than their one that they've introduced. They've done it on two bases: one is that we have unpaid leave, which is the right to return to work, and they don't.

MS MacRAE: No, they do.

MR FITZGERALD: Now they do. Then we've got the baby bonus, whereas they've only got maternity leave and that only applies to some people. Anyway, look, it's just a - - -

MS KELLY (NCWT): The baby bonus is also, at this rate, only a new concept too.

MR FITZGERALD: Yes. It's a very interesting juggle, trying to get that.

MS KELLY (NCWT): Yes.

MS GRANT (NCWT): May I just say that woman at the moment, girls, are trained for a job. They're not trained to be parents. Mothering and parenting really doesn't come out of thin air. So there's a woman who has been highly skilled or in a job where she's well paid, she's got a respected workforce with whom she relates closely, she's there at home with a little baby that's howling it's head off and she's lonely. She's not trained to look after that baby and she needs some incentive to keep her there, to stay at home with the baby until she learns some parenting skills on the poor baby. So we haven't trained for parenthood and we haven't trained for mothering. This is where the fall-down is. Women won't stay home if they have that thing that's been so satisfying and they've had to leave it. It takes a bit - for some women, it's impossible. They just don't bond with their babies.

MR FITZGERALD: Okay. Just in relation to a comment that you made about breastfeeding and bonding - and you're obviously critical of the issues paper not getting that balance right and I take that on board - you would accept that the research indicates that breastfeeding, for those that are able to do so, has certain benefits. One of the things that concerns me is - and we don't wish to add to this, we don't wish to set up a fight between those pro-breastfeeding and those anti-breastfeeding and what have you. It's an unhelpful construct because we would think the evidence is overwhelming that there are benefits to be obtained from breastfeeding; there are very strong bonding and attachment issues which are both related to breastfeeding and not related to breastfeeding. There's a whole lot of good that is in there. So I was just wondering whether you can just explore for me just a little bit, the notion of bonding and attachment you're really saying should not be as closely aligned to breastfeeding as it's sometimes put forward, or you might articulate it in a different way.

MS SMYTH (NCWT): I had a problem breastfeeding and was very annoyed to be told that my breast milk was second-rate.

MR FITZGERALD: Right.

MS SMYTH (NCWT): It really upset me when I was told that at one stage. But I think it was because it was my first child and I was so anxious to do the right thing that I did the wrong thing, if I can put it that way. Then I got into the swing of it and things were different. But it just seemed to me that the paper saw breastfeeding as the primary method and I don't think that's always the case.

MR FITZGERALD: Sure.

MS SMYTH (NCWT): So I think there should be proper recognition given to the fact that if you can't physically breastfeed or that there are psychological reasons or all sorts of things, then the bonding process must go ahead and time must be given for it. That's all.

MR FITZGERALD: Sure. No, that's fine.

MS MacRAE: Yes.

MR FITZGERALD: I think you mentioned a figure about the value of breast milk, by the way. There's a paper that we received - - -

MS SMYTH (NCWT): No, if only we'd known.

MR FITZGERALD: Yes, I think it's \$US650 at the moment. One of the economists the other day, Julie Smith, put a figure that it's currently valued at \$2.2 billion.

MS GRANT (NCWT): Yes, that's right.

MR FITZGERALD: I'm not supporting that figure, I'm just telling you what the figure is. Are there any other things, Angela?

MS MacRAE: You didn't have a lot in your paper about the paternity leave, and I just wondered on that bonding question whether you wanted to say any more about the importance of bonding with the father as well as the mother.

MS KELLY (NCWT): Well, yes, that's important too, very important actually. I suppose I was looking from the point of view of from, say, me, who had a husband who wasn't around that much because of his employment and wasn't able to just take time off; even to, say, take three months off and be with the baby, because it would be an impossibility. But these days, I think men are much better at doing things with their children and take more interest and are more involved in the home, so it is much better, say, from my generation. But definitely family bonding with the father is very important, and if they can have time off to do that, that's good.

MR FITZGERALD: Okay. Any other final comments?

MS GRANT (NCWT): I would just say that if a mother is on drugs or something like that, somebody has to bond with that baby, and if it's dad, that's marvellous; if not, it has to be grandma or somebody, but the baby needs someone that's stable and with whom it feels safe, and that's it.

MR FITZGERALD: Thank you very much for that.

MS MacRAE: Thank you. I look forward to receiving the submission, it will be terrific.

MR FITZGERALD: Thank you very much.

MS GRANT (NCWT): Right.

MR FITZGERALD: If we could have the Tasmanian Chamber of Commerce, that would be good. Thanks for that. Look, thanks very much. If you could give your full name and the organisation you represent, and then you can make some opening comments and we will have a bit of a discussion. So that will be terrific.

MR THOMAS (TCCI): Thank you. Damon Thomas, chief executive of the Tasmanian Chamber of Commerce and Industry.

MR DOWLING (TCCI): Richard Dowling, TCCI senior economist.

MS THOMPSON (TCCI): Diane Thompson, managing director of the Powercom Group and president elect of Women Chiefs of Enterprise, nationally; and a member of the board of the Chamber of Commerce.

MR THOMAS (TCCI): Thanks very much for the opportunity to meet with you this afternoon. Although our organisation already has in place paid maternity leave and has had for some years, we haven't come here today with any crystal solutions, and obviously at a time the commission is meeting on this matter and asks for a view. However, we thought it might be worthwhile to talk about the issue in terms of the context of the Tasmanian economy, which we are able to speak about with a reasonable degree of authority, and put it in a context of the ability of the economy to both support a scheme, and support it in terms of both of the financial situation but also as much perhaps for our comments, in terms of the filling of the voids left behind.

I might also say that it appears from my union colleagues before that part of our comment in the Mercury today may have been seen that we were against women having babies, which is nothing further from the truth; having a four-year-old I've only just left to come to this. So the reality is firmly on the record, we are minded towards the scheme, a scheme of parental leave. Ours already provides for 13 weeks' paid leave, but we would be extremely keen to be able to present to you a bit of a mud map of the state of Tasmania, which is less than 3 per cent of the national economy, which itself of course, as you would know, is less than 3 per cent of the world economy.

In the context of Tasmania and the point of view that despite many years of talking to the Reserve Bank every time it does a round about the cash rate and talking about Tasmania being a special case, we are probably attracted to a view that this issue may not be capable of a translation into a national solution automatically but could be more something that needs to be taken more into account in terms of a regional part of the country as opposed to a capital city situation, and Tasmania of course is regional in that context. But if I can, I will pass over to our economist to give you a bit of an idea of Tasmania, and that idea is being put in the context of our submission to the Tasmanian state government, its own state budget round, which

was entitled People, Productivity and Participation.

MR DOWLING (TCCI): So essentially we are looking to set the scene here before we try to delve into too many complex solutions. That's why we say - and any national scheme must still take account of local economic considerations, and in that sense Tasmania is still a long way behind national averages in just about all economic indicators. I think per capita our earnings are 39,000, compared to the national average of 47,000, and this is essentially attributable to having the lowest productivity in the nation, and that has been an underlying fact for some time now.

Recent economic growth in Tasmania has still been a cyclical factor rather than any sign of structural improvement. Business investment has gone backwards since its peak of 2005 and we are the least innovative business sector in the country. We also have the lowest educated and lowest skilled population in the nation and we're attracting a below average share of skilled overseas migrants. The biggest concern, as far as the Tasmanian structure of the economy, is labour force participation, for the last few years it has hovered around 60 per cent in the good times. So we have only six out of every 10 working-age people in the workforce.

But if you look particularly at women, it hovers around about four and a half women for every 10. So that's where the major concern is, so 45 per cent participation rate among working-age women. The differences between participation rates in Tasmania and national averages is often attributed to our demographics. We do have the fastest ageing population and the oldest workforce, but there's still a glaring difference between 20 to 29 year olds, in both men and women, in terms of participation and there has obviously got to be some other explanation then there for that, and we see it as probably some sort of socio-economic - and I think it is that those not participating do tend to be in the poorest pockets of the community.

I think the unions mentioned before that particularly up in the electorate of Braddon, I think it was, is where the lowest participation is, and that's where we have the lowest income earners as well. So I guess what we would like to stress is whatever the scheme does end up being, it must take account of the fact that the Tasmanian economy is still very fragile and imposing things that might seem good on averages might not necessarily fit in a Tasmanian context. Tasmania is well below all national averages and most indicators, so therefore we don't want to get absorbed into sort of the averages that capital cities might have, etcetera, and Hobart is still essentially a regional town rather than a capital city. But I think that just gives a sort of economic snapshot.

MR THOMAS (TCCI): Yes, I'd probably just add to that that we have nearly 500,000 in the state. We have something in the region of 230,000 in the workforce at the present time, that's in part-time and full-time. But we have a staggering 150,000 people of working age that aren't in the workforce. So our participation

level is a real worry. It has got better, and our unemployment rate on a trend basis is actually seen as very close to the national figures; in fact it surprised the heck out of treasury when it came out the other day. But the figures have been checked, so we are tracking very close to the national unemployment level, which is fantastic.

When the commission indicated it was coming to Tasmania for these talks, we asked for some feedback. We effectively got only a very small amount of feedback from the business community and part of that is the same as when people would say to us, "What did business think about the electricity blackout in the CBD last week?" or yesterday, or, "What does business think about the Basslink power cable?" or fibre optic. Business in Tasmania tends to be extremely small and micro and given that 74 per cent have less than 20 employees and 54 per cent have less than five and 17 per cent have no employees, we are really in the situation where they react to issues almost the day after the event.

MS MacRAE: Yes.

MR THOMAS (TCC): But just from asking a number of people anecdotally, and it is only anecdotal, but it was quite worrying to hear that a number of businesses - one source gave me this - actually illegally don't engage people between 20 and 40, or 20 and 45 because the people are young, newly married and looking to have a family. I find that is an incredible indictment and one that, whatever the system that was brought into place, does come into place to follow this important societal need must take into account this entrenched negativity and black hole we seem to have about this issue. Whether it's, "I shouldn't have to pay," or, "I'm not going to employ that person because they're going to take off and have kids," it is a real worry. That is a very small - I stress an extremely small - segment that I independently polled, but it didn't just come from your cafe, it was in a medical professional area. So it is a great concern.

MS THOMPSON (TCC): I can certainly support that. We have 70 people working for us, but only about five or six of them are women because of our industry. Attracting women into engineering is almost impossible and it's something I try to do all the time. But we actually pay to help our people if they go off on maternity leave because it's so hard in Tasmania to replace them. Two of our companies are exporters. We really struggle to be competitive in the market because our wages, even though they're fairly low in Tasmania, we struggle to be competitive in a world market. So to add burdens of maternity leave is quite difficult. Even though we pay these people to stay on staff, it is an added burden because it means we can't employ a replacement.

MR THOMAS (TCC): Yes.

MS THOMPSON (TCC): So I imagine we're better off than most. So it's a

concern is there is an endeavour by the government or an attempt to make businesses pay, especially in the manufacturing sector. I would not want to burden people with that. We've made that choice because we've identified having those people on staff is positive for us, but there are many who are even less competitive than us.

MR THOMAS (TCC): I think, echoing Di's words, that whilst we have no fixed view on a solution, we do know that the solution that said that employers were to pay the cost in Tasmania would lead to a whole range of unfair dismissals, I imagine, and anti-discrimination claims because (1) they wouldn't have the wherewithal to fund the substitute person, but secondly, I'm not even sure where the substitute people are going to come from. Now, that's an issue of flexibility and an issue of working through things and an issue of re-engineering your own operation.

But that 150,000 are out of work or not working for a whole range of reasons, and the state government and business is looking at mature-age encouragement and a whole range of aspects. But there are a large number of firms of reasonable size now that aren't even bothering to advertise for staff because of the very low response rate. So that's just it in a small mud map here. So we're certainly not against the concept in any way, shape or form, we just think that it's playing out in a state as opposed to a national forum might provide, at least for the commission, if other states or territories bring forward some of these practical issues I think, and we would be very keen, and as I'm sure ACCI would be and we're part-owner of ACCI - I think sometimes everyone thinks ACCI owns us but it's the other way around. They are our company. We would be very keen to stay involved. If we can assist in providing assistance to the commission going forward, we'd be very pleased to do so.

MR FITZGERALD: Good.

MS MacRAE: Just from your comments there, even if we were to have a scheme - I understand your concerns about employers having to pay - that was going to be totally government funded, and just for the sake of argument because it's a regular one that's put to us, if we were to take an ACTU-type base without the top-up, so we were going to say, "Okay, the government will fund a minimum wage scheme of 14 weeks," would you be concerned with something like that, because of the concern about replacement; that if it did mean that people took a longer period out of the workforce, even that sort of minimalist scheme, if I can call it, would be of a concern to you?

MR THOMAS (TCC): If there had been any way in which a scheme could be from 12 or 13 weeks right through to whenever period, we're absolutely totally wedded to that. It's the problem of replacement. We think it's not just a problem at the skilled and semi-skilled. In Tasmania's situation, as Richard mentioned, at the skilled level it is extremely hard and a lot of our businesses are now going through 457 visa processes. If you look at our trade area, we've got massive calls on because

of the pulp mill and a lot of development around Hobart, so we're talking about construction being a particular case of its own.

But if you talk about retail and we talk about hospitality, I think we would become increasingly dependent on - and it's available, of course; the backpacker, the tourist coming into the country, which is now a possibility because they're extending their visa now and they are allowed to stay a lot longer or get a second term on their tourist visa if they've been working. So I think we would become very much dependent on that itinerant, floating population. But because of our 150,000 that I indicated aren't working, a lot of them come from second or third generation without jobs or they have a disability of some sort or something that doesn't immediately change them from a 12 per cent not participating or participation rate. I mean, there's 60, 61; it's hovered around like that for a long time. The national average is 66, 67 people out of 100. So I don't know it would sit anywhere else in any other state, but it would appear that we would go something like - if you looked at it, and this is totally off the cuff - to easily replace across all those industry sectors, I say 10 to 15 per cent would be easy; 30 per cent would be difficult and the balance would be extremely hard.

What would that do? It does two things: (1) it puts further pressure on those that are in the workforce, or it changes your decisions to expand or to develop some particular product. In other words, it might just put things on hold for a period, but you won't be able to get the people in, even with training, and there's training costs there too. So I think in actual fact it would put the economy on hold to a degree. I'm not saying it's going to stop things happening, but we are talking about suspension of a lot of activity other than for that 10 to 15 per cent and that 30 per cent. So about 60 per cent of the jobs that would go out of occupancy would not be able to be replaced within that period.

MR FITZGERALD: Some people have suggested to us that that's one of the problems with going with a minimalist scheme, that in fact you need to have a scheme where people are actually out of the workforce longer. In other words, what they're saying is that it is quite difficult to replace people for short periods of time, and that in fact it is easier if they are away for six months or 12 months, that you can actually plan, find a replacement. For the worker that is away, the argument also goes that during that time, the job will be backfilled and won't be left for them when they return, whereas with 12 weeks away, that often mightn't be the case. So I'm just wondering, in a practical sense, is part of the problem having periods that you have to replace that are in fact too short, and rather one would in fact want longer periods when people are away. I'm sure it varies from business to business, but it's an interesting position that's been put to us more than once.

MR THOMAS (TCC): Yes. I don't think it would be very difficult to be definitive because if someone was, for example, a cashier or a driveway attendant or a retail

person, it's going to be - without in any way impugning those professions - a lot easier to backfill for a 13-week period, to someone who is a bookkeeper, a systems inputter or any other profession. Hospitality would probably be simpler.

MS THOMPSON (TCC): Yes.

MR THOMAS (TCC): But I'm not fairly sure what the hospitality size of our economy is in workforce terms. It's large.

MS THOMPSON (TCC): Yes, I think it's about 18 per cent.

MR THOMAS (TCC): About 18 per cent. That will vary around the country too. But that type of profession, retail, hospitality, I think would be a lot simpler, and there may well be more people prepared to step in at that point. I think it's when we get into that other area - - -

MS THOMPSON (TCC): The problem is too, if you want to get a good - because our person who went on maternity was our bookkeeper and she's come back part-time and we had constant talks with her. She brought the baby in, which was kind of cute, but we had constant discussions with her and with the person who was employed in her position all the way through the 12 months, because after a while, people on maternity leave feel like they're disassociated. They also get really concerned that they're no longer useful to society. I mean, I took a long time off for my three children, I didn't work at all, and I can understand that. I was a teacher and the first time I walked back into the classroom, I felt physically ill. I didn't think I could do it any more, and this girl was in the same situation, so that constant support is really needed. If I had any more than five or six women in my workforce in that 70 people, I would be a bit concerned that I might have four or five people that I have on maternity leave and how to support them, instead of one, and also, are they going to go somewhere else? You know, not everyone is loyal, and I've just paid for that person to be on maternity leave.

I'm on the Skills Board and constantly we have this problem where people are put through apprenticeships and then at the end of the four years, they go. So there's also that concern in a way. I mean, I knew with that person, she wouldn't, she's very loyal, but if you're going to make it so that you'd have to do that for everyone, there may be that concern as well. But it's very difficult for someone who has stepped out of the workforce - it's just as difficult for them as it is for the employer, I think, and how to handle that. Of course the person who has taken the position on for 12 months, what happens if they want to stay and you haven't got the job for them? It's so difficult to get a good bookkeeper in Tasmania that they won't want to take just a 12-month position anyway. They'll go to the companies that have permanent tenure, so it is very difficult. Demographically, we don't have enough people to fill the positions.

MR FITZGERALD: I have a very specific question and then a broader question: just on that, some of the countries overseas have it that the maternity leave payment, even if it's government funded, is actually paid by the employer and the employer is reimbursed by the government. One of the arguments in favour of that scheme is that it retains attachment between the employer and that employee. Others have said it makes no difference at all and you might as well let the government pay them directly to the employee. I'm just wondering as an employer whether you have any particular views about that. You may not have thought about it, but in the UK, for example, the employer actually makes the payment and is reimbursed by the government. That's a social insurance scheme, but it's similar.

MS THOMPSON (TCC): Reimbursed by the government? I like that idea. We actually have a manufacturing facility in Malaysia as well and I can tell you, we're twice as profitable in Malaysia as we are here, even though we're trying to retain our staff here; in fact we've grown, more than doubled our organisation and still have the facility there. But it's easy for them to absorb the cost of their labour compared to us. I certainly know that by paying our bookkeeper, she was so grateful because she could take her 12 months off. She had her holiday pay as well and a bit of long service and our six months that we gave her. She was able to stay home with the baby for 12 months and I think that helped her bond with that little girl. I'm sure it has helped her and by not working full-time, I think she's still able to have that luxury of a couple of days where she can be with her baby and she loves it. I think she would probably go to the ends of the earth for us, that particular person.

MR THOMAS (TCC): I think the army reserve is similar to what you were mentioning. I think the employer pays but they also get a refund.

MR FITZGERALD: They get a reimbursement.

MR THOMAS (TCC): Yes. The army, defence - you know, they're part-time and they take it off over a number of days. After it's a number of days, you get the money back. I just think that as you go along your way - and presumably you'll come out with an interim report?

MR FITZGERALD: There will be a draft report in September.

MR THOMAS (TCC): Okay. That will allow for comment back again?

MR FITZGERALD: Yes, absolutely. We'll go through the whole process again and the final report will go to government at the end of February next year.

MR THOMAS (TCC): Because if there's a way of looking at some of the practical issues - and Tassie is one of those wonderful places, particularly these days, in the

last few days - where if you were looking at a bipartisan-type approach - I mean, we have an extremely good and appropriate, robust relationship with the union movement and there are less industrial disputations fortunately in Tasmania than anywhere else - but it would be very good, before your report was finalised, if you were able to coopt a number of organisations into a sort of practical workshop-type process. So if you said, "Okay, how would this work?" and let's say we've got this wonderful offer down in Tassie to coopt a whole range of people and lock them in a room and say, "How can we make this happen?" "We're minded to do this," and we actually think we've got a good hearing from the government on it, "But how would it work?" and it'd be great to try to work it out.

MR FITZGERALD: Thanks for that. Could I ask a more general question: Unions Tasmania indicated that you were about to reach a point in Tasmania where more people on an annualised basis leave the workforce than join the paid workforce. Now, I don't know if that's so or not, but if that is so, I don't quite understand why we've got this low workforce participation rate that you've referred to. I mean, we're obviously not looking at that as part of the inquiry per se, but it's intriguing that on all the data, you should in fact have a workforce shortage, but you have very low participation rates, particularly for women, as you said. I was just wondering, what is it that's happening here that is peculiar, because that shouldn't normally happen in a reasonably robust labour market.

MS THOMPSON (TCC): I can actually answer that with the work that we've been doing with the Skills Tasmania board. There's a period of time from 18 to about 26 when a lot of people, girls and boys, leave the state because they can't get any work as young graduates, especially from universities, and they go to the mainland. At the moment, it's almost equal, the number of people going as to coming back, but we've lost the baby abilities, if you like, of all those people going. You know, we might get some adults coming back but they aren't going to have children usually. They're in their 50s and 60s, whereas your 18 to 27 or 28-year-olds, they're our potential parents.

MR THOMAS (TCC): We are the most rapidly growing - now, as at this year, we have the unenviable tag as the most aged population. It's probably, as Richard earlier on said, that participation rate; for us to have - I mean, there's both a detriment to this type of scheme but there's also an incredible challenge and a possibility coming from it. We can convert some of this long-term unemployed, this lack of participating workforce, through a scheme of this nature. So just as we were often hearing that the pulp mill is going to take all the workers out of the rest of the country - and it will take a few, but there's also the argument that the second and third-year apprentice will leave their apprenticeship and head off to the pulp mill for some good money for 22 months - at the same time, the argument is that people who are losing their employees will take more apprentices than they would. Now, in this case, if there's a way for us to combine the introduction of a scheme like this with an encouragement

to get some of these people participating, we shouldn't talk glibly about it because many of them have a disability of a kind which will be very difficult to overcome. We've got to obviously do what we can to assist. But if we can move some of our people who aren't in the labour force at the moment but are of the age group they should be, then our problem is not nearly as magnified.

MR DOWLING (TCC): The fact is, work is just not attractive to certain sectors of the community at the moment and whether that's a generational social issue is partly the case, but also the fact that you do have the universal payment in the form of the baby bonus also, whereas if there is no paid maternity leave scheme at all I guess would not provide any further encouragement for those people who aren't participating to suddenly jump up and look to get into the workforce.

MR FITZGERALD: Okay. Just on one issue of paternity leave, we've talked about maternity; you have a workforce of X - - -

MS THOMPSON (TCC): All men.

MR FITZGERALD: Nearly all men.

MS THOMPSON (TCC): Yes.

MR FITZGERALD: And I might say we met with the head of the CMFEU which also decried the fact that in all three - I think they represent - 96.7 per cent of their membership is male.

MS THOMPSON (TCC): Right.

MR FITZGERALD: They were trying to get more women into construction and engineering in the way you have. But I was just wondering whether you have a view about paid paternity leave.

MR THOMAS (TCC): As in conjunction with a maternity leave as well?

MR FITZGERALD: Yes.

MR THOMAS (TCC): Yes. I don't think we have any philosophical problem with it at all, other than for the problems we've already spoken about.

MR FITZGERALD: Sure.

MR THOMAS (TCC): We certainly wouldn't be discriminating and we understand the benefit for fathers and mothers. We also understand the union mentioned the potential scrapping or replacement or grading down the baby bonus if

a paid maternity scheme was put in place. That does seem logical. But we obviously also are aware people who aren't working are going to have some cover as well.

MR FITZGERALD: Sure.

MR THOMAS (TCC): But perhaps if that baby bonus is re-looked at in terms of the level of it or what it was providing for.

MR FITZGERALD: We'll look at that. Well, that's very good. Angela, any final comments? Any final comments from yourselves?

MR THOMAS (TCC): No, we're keen to stay involved.

MR FITZGERALD: That's good.

MR THOMAS (TCC): We wish you well in your somewhat interesting issue. It's not as bad as one of your other Productivity Commission ones which was I think trying to work out how to cut the cost of red tape regulation in the country.

MR FITZGERALD: Yes, we have a number of inquiries on the way at the moment, all of which are challenging in their own, I might say. Anyway, thank you very much for that.

MR THOMAS (TCC): Thank you.

MS MacRAE: Thank you.

MR FITZGERALD: I think we've got one final participant. If you could give your name and the organisation you represent.

MR MALLETT (HBT): Thank you, commissioner. My name is Robert Mallett and I'm the executive officer of Hair and Beauty Tasmania. So Hair and Beauty Tasmania is responsible for about 750 enterprises in Tasmania. They're not all necessarily financial members of our organisation, but we communicate by newsletters, emails et cetera to them all on a regular basis. So in some respects we feel that they are part of us whether they've paid their membership or not. They have between them approximately 2 and a half thousand staff. The majority of those employees would be in that 17 to 28 age group. Approximately 98 per cent of all of those people are female. So it's a significant issue for this particular industry.

I think before we talk about some of the paid maternity leave aspects there are some issues I think that need to be recognised in the attitudinal approach by some of our employers that already have issues with the existing maternity leave provisions. None of them doubt that it's necessary. It's something that has to happen and it is fair. But it provides a considerable amount of emotional angst in a whole range of areas: finding replacement staff, especially in the hair and beauty industry which has a screaming skills shortage; a skills shortage because you can't just put anybody in there. A person needs to have done at least three to four years of an apprenticeship before they even start to earn a dollar for the employer. So finding those people in the first place is really difficult.

The other requirement is providing the choice of job, in some respects, on their return. The employee gets a choice of whether they want part-time or full-time and many times the employees won't know whether they want part-time or full-time or won't communicate with their employer until very, very close to the end of the maternity leave so it provides a lot of uncertainty for the employer. Again, whilst it's accepted that it needs to happen, it still does provide some issues for employers.

The other one which is equally as worrying, provides equally as much emotional angst for these guys, is the sacking or the replacement of the replacement staff. You've developed a relationship in most of these businesses, most of which have got less than 15 staff and a significant amount around six and seven. They form a close emotional attachment to all of the staff that are in the organisation, and then having to dispose of somebody or ask them to leave because their time is up and the original employee is then coming back to work, that's quite a difficult thing to do.

Whether it's perception or reality, is that the person who's then leaving the enterprise walks away with a significant amount of commercial in-confidence information about that business, their clients and the staff, et cetera. It's difficult. So to begin with, maternity leave is an issue with the people that I represent. So saying that, the hair and beauty industry does support the provision of paid maternity leave,

as long as it is publicly funded.

Earlier on you had some discussion about the thoughts of the small business sector in general, whether it's about workplace attachment, workforce attachment or the wellbeing for the mother and the child. I've had some time to think about that. I don't know that there is one distinct answer. There's no doubt about it that the wellbeing for the mother and the child is a significant issue for us as a community, and most of the people that I represent are, as I say, small businesses, they're close to their friends, they're close to their female employee staff so they have a high degree of understanding that this is part of our collective social responsibility. But at the same time, the hairdressing industry and the beauty industry has significant skills shortages, finding people, training them, et cetera is difficult.

Now, one of the opportunities by having a publicly-funded maternity leave, and at least being universal is that it doesn't make it an unfair advantage on some smaller businesses where big businesses have the opportunity to possibly provide the paid maternity leave, especially where there are businesses with a greater gender mix because the cost to them is not nearly as much as the cost to most of my members where they are, in most of the cases, a hundred per cent female workforce. So therefore the larger businesses with the more even gender mix would have much lower overheads and a greater capacity to compete.

The other thing is that one of the reasons we're having trouble finding appropriate apprentices, that is 16, 17, 18-year-olds to come into the industry is because we're all competing for good quality staff these days, irrespective of the type of business, and many people at that age really have no idea what they want to do. So if there's larger organisations who are able then to offer these greater incentives for them to work, we will continue to lose bright and intelligent young people who are going to be hairdressers and technicians and beauticians, and in the not too distant future they will then be business owners and employers themselves, so that's an issue.

Again in thinking about this, it has to be fair to all. It's outside, in some respects, of my comments, but it needs to work for working and non-working mothers. At least at the moment the baby bonus is a universal payment irrespective of your employment status. So we have concerns I suppose that it still needs to be fair for everybody. There may be mothers who decide to take extended leave to look after one child. Invariably they have another child two years after their first one, so it's a very short time back in the workplace, and then another disruption for the small business employer, my hairdressers, when they go and have another child. Some of these people, they stay at home to care for the one child; they have another one, they're often out of the workplace for four to five years and then it makes it really hard to get back in. So again when the commission discusses this be mindful of the fact that it needs to be fair for every female, not just whether they're in the workforce

or not.

Another issue that's been raised, and the media are the one that raise it: shouldn't this just be a leave as part of the normal part of employment? But not everybody gets pregnant. Everybody is eligible to have some rest and recreation from their normal workday activities, and that's universal. But again if it's only females that are going to be getting pregnant to be doing it, then in that case it's not a normal part of their leave because it only applies to a smaller part. Although I take the point that you discussed with the previous presenter and you talked about paternity leave. Again, I hadn't really thought of that. In the context of the industries which I represent, that's not an issue.

Finally, I suppose some of my members are sole operators. They operate from home or from a very small business of their own. It takes some time and effort to set up their business in the first place. Whilst at the moment they would get the baby bonus by having the baby, there is no provision for them really to be able to cover themselves while they are actually off, out of their own sole business, to find somebody to run their business so when they come back they have actually got a business.

It could well be that they have to go off, they have their child - presumably through choice, they have gone off and had their child, but then they don't have their own business to come back to because their clients, who were probably on a four to six-week rotation, have then found somebody else to go to. So it's really significant. They need at least some level of support to be able to maintain that business and stay in the taxpaying queue. The short and the tall of it is we do support it, but the industry feels that the funding should come from the bucket of funds effectively that provide other financial social benefits to the community and not be paid for specifically by employers in the whole.

MR FITZGERALD: Good. Thanks very much, Robert, for that. We appreciate the points you've raised. Can I just raise a general one. Already we are starting to see a number of industries provide either negotiated or voluntary maternity leave arrangements, and often that's driven by wanting to be either employers of choice as individual employees or industries of choice - in other words, they need to attract the labour.

Given that your own industry - why do you think we have not seen any great movement to try to attract more female staff by the offering of voluntary paid maternity leave arrangements, because it would seem to me that there's strong competition for the labour that's available in Tassie. You have a particular demographic that you need to attract with a particular skill set. Have we seen any movement at all to say as an industry we're going to have to respond voluntarily to this issue?

MR MALLETT (HBT): No, I have no examples of that. Primarily, I would suggest because the margins in the industry are not sufficient to allow that. It's a highly competitive marketplace, the hair and beauty industry. There are a significant amount of enterprises, around about 750-odd enterprises in Tasmania. A bit like our retail industry, we're probably fractionally oversupplied with enterprises doing the business, in which cases there's just not the margins at the moment. It's too competitive a business to be able to then add an extra 12 to 14 weeks' pay for everyone of your staff that are going to become pregnant every time they become pregnant. It's just not a viable financial opportunity at the moment. So there are other ways they try to retain or get staff.

MR FITZGERALD: In the Unions Tasmania submission this afternoon, which I don't think you were here for, they are proposing a government-funded scheme up to the level of minimum wage and then a compulsory employer top-up. But on their figures only a small number of employees over and above that which already receive paid maternity leave would receive that top-up. I was wondering in your industry, if one were to introduce a dual scheme - that is the government funds up to a minimum and then you made it mandatory that employers fund up to the full pay or the ordinary times earning I think it's called - would that make any substantial difference on your businesses or would most of the employees in your businesses be under or around the minimum wage? You may not know the answer to that.

MR MALLETT (HBT): Most of them would be - it depends. Again, it's a bit like working out compulsory superannuation. Most of my employees in my industry would be paid the award wage, but then they're offered performance bonuses over and above that. So there are some accepted benchmarks for how much a person on a given wage or a given point whether they're first, second, third, fourth-year apprentice or a senior, there's some benchmarks as to how much it's expected they should earn for the enterprise on a weekly or monthly basis. There are a significant amount of enterprises who pay bonuses on productivity above that.

MR FITZGERALD: Okay.

MR MALLETT (HBT): They do that because they need to retain good quality staff. I can't imagine that that bonus would then be part of the mandatory weekly wage. It's not their mandatory weekly wage. Their weekly wage is their weekly wage; the bonus is a productivity increase. It could well be that if a scheme was to come in where there was at least some regular payment, I could imagine that some of my higher quality and higher paying enterprises would possibly look at topping that up so that they could ensure that that staff person would come back to them rather than be encouraged to go to another enterprise.

MR FITZGERALD: Just a final question about the actual make-up of the industry.

What percentage of employees in the industry are casual and/or part-time? Do you have a sort of rough idea of - - -

MR MALLETT (HBT): With the award for the hairdressing and beauty industry, casual and part-time for people who are less than 20 hours a week are the same classification. So it would be rare that somebody - there's a such a level of skill shortage, it would be rare that a person could ever be considered casual in the irregular hours aspect.

MR FITZGERALD: All right. so what is the split between part-time and full-time, roughly?

MR MALLETT (HBT): I couldn't tell you exactly.

MR FITZGERALD: Couldn't tell us. Okay, that's fine.

MR MALLETT (HBT): I couldn't tell you exactly.

MR FITZGERALD: No, that's fine. I was just trying to get a bit of a sense for the industry down here. Angela?

MS MacRAE: I was just interested in your comments where you said that quite often women might go out of the workforce for as much as five years, if they're having a couple of children, and then might find it hard to get back into the workforce. Is that because of a lack of training over that period, would that have decayed, or would it be the fact that they may have just lost their confidence, or how do you see that?

MR MALLETT (HBT): I think first of all it's a lack of confidence in themselves. Whilst they were probably top of their tree and very proficient when they were 23 or 24 or 25, but to have five years out and all of a sudden come back to work with kids who are 18, 19, 20, 22, who again then are the top of their profession, it requires a considerable amount of confidence and our organisation will sometime in the next 12 months be looking at seeing if we can have some form of - look at a project to see how do we encourage those people who have been out of the workforce who still have the skills.

There are still plenty of people who want a basic cut or a basic rinse or a set or some foils; you know, some of that technology doesn't change too much over that period of time. There's a lot of hairdressing businesses, for example, who are still looking for people who can do that, because that's the bread and butter of their business, the high fashion end is not the bread and butter. So we are trying to work out how do we get those people back to our place, and even, because we have such a skill shortage that we'd be happy to take them back on a part-time basis, if they said,

"Look, I need to start at 10 o'clock because I'm dropping the kids off to school and I need to knock off by 3.00," it's an appointment business, it's not a casual blow-in business.

MS MacRAE: Yes.

MR MALLETT (HBT): So a lot of my businesses are all based around appointments, so appointments can be made to meet the family life balance of that employee, and most of my employees would be only too happy to take good quality professional people to work in those hours, if that's what they want to work.

MS MacRAE: So you're aware that there is a bit of a pool with those people? Are you saying you're aware that there are quite a few that haven't come back.

MR MALLETT (HBT): I haven't had figures in the last five years, but 10 years ago hairdressers stayed in the industry for about seven years, and then about five, six years ago we had figures that say that they now only stop in the industry for about five years. So there is a pool. We consistently have the same number of apprentices in training at any one time, and that's about 365 apprentices in the state at any one time. But they either move on, they move to other states, overseas, or have children and then don't come back to the industry.

MS MacRAE: Do you know what proportion of it is, those that have children and don't come back?

MR MALLETT (HBT): No, I don't.

MS MacRAE: No. Okay. Because that would be of very great interest to us.

MR MALLETT (HBT): There's a project there somewhere.

MR FITZGERALD: I am conscious of the time, but I just have my final question. If one was to introduce a scheme, a government scheme, minimum wage scheme, for 12, 14, 16, whatever number of weeks, what do you expect would be the impact on the industry itself? Do you think that there would be a significant change in either the behaviour of employees or employers; or if that scheme, the minimal scheme were to be introduced, what do you think would be the impact?

MR MALLETT (HBT): What the impact would be, it would be small, I would imagine. What it just won't do is enable larger businesses or other industries who have either a greater financial capacity to be able to provide this, it would just lessen their opportunities to be able to steal the employees, that would be young employees, from that industry, because they wouldn't have that financial and commercial advantage over the people in my industry. So whilst it wouldn't be fantastic, it would

definitely help us support the amount of young girls, predominantly young women, who want to be hair and beauty technicians in the industry, to be able to stay or go into the industry without feeling that they have been disadvantaged as a result of it.

MR FITZGERALD: Good. Any other final comments, Angela? Or Robert?

MS MacRAE: No.

MR FITZGERALD: Thanks very much for that.

MR MALLETT (HBT): Thanks, Robert. Thanks, Angela.

MR FITZGERALD: Thank you for very much for both this morning and this afternoon. We are grateful.

MS MacRAE: Thank you.

MR FITZGERALD: That is the end of our formal participation. Are there any other comments that people would want to make at the end? If not, we will adjourn these hearings until we resume in Melbourne tomorrow morning. Thank you very much.

AT 2.38 PM THE INQUIRY WAS ADJOURNED UNTIL
TUESDAY, 13 MAY 2008

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