

Australian Rail Tram and Bus Industry Union (RTBU)



Submission to Productivity Inquiry into Paid Maternity, Paternity and Parental Leave

The demands of human solidarity underpin the values of the trade union movement. Solidarity is the recognition each owes to the life and needs of others.

Contents.....	2
Introduction and Overview of Submission.....	3
Objectives of PML.....	3
Role of Bargaining in establishing wages and conditions in RTBU coverage.....	3
Time and Income support for the optimal approach to PML.....	4
Details of income support proposal	6
Australia’s economic position and women’s contribution.....	7
Details of proposed scheme.....	8
Budget outlays.....	9
Transport industry demands and the preferred options.....	9
Transport industry and Work/family balance.....	10
Limitations of bargaining or NES to establishing an appropriate scheme.....	10
Issues/ Objections arising from PC Discussion Paper.....	13
Summary and Conclusion.....	15
Table 1.Income needs of women in various paid employment types fort 28 weeks PML.....	17
Table 2. Income needs of women in RTBU for 28 weeks PML.....	18

1. Introduction and overview of the submission

The Australian Rail Tram and Bus Industry Union is the collective voice at work of the men and women who operate rail passenger and freight services, and publicly owned passenger buses across Australia.

The incidence of paid maternity leave in this industry is almost entirely governed by the ownership type of the operation in which employees work. Where an entity is publicly owned, some paid maternity leave is available to employees, but the amount differs across the states. Where an entity has been privatised, the previous entitlement to paid maternity leave is either reduced or treated as a 'discretionary payment', subject to policy considerations. Where an entity has always been in private ownership, there is little or no paid maternity leave.

This pattern mirrors the entirely illogical and unfair pattern of access to this most important entitlement generally.

The Productivity Commission inquiry into Paid Maternity, Paternity and Parental Leave provides a welcome opportunity to deal at last with the inequalities and anomalies that have arisen in relation to access to paid maternity leave and paid parental leave generally in Australia, and within the industry in which our members work.

Objectives of any Scheme for Paid Maternity Leave

The submission of the RTBU outlines a proposal for paid maternity leave that starts from the proposition that the purpose of the leave available must be to ensure the health of the child, the health of the mother and income protection which recognises that women's contribution to family and household incomes is fundamental to maintaining themselves, dependents, households and the economy generally. The recommended minimum standard for breastfeeding, that ensures the best possible health of newborn infants, is six months.

Any proposal for the introduction of paid maternity leave must be based on the principle that all mothers and their babies deserve equal opportunity to the time necessary to ensure the physical and emotional well being of both mother and child. All women deserve and need six months (26 weeks) after the birth of a child, as well as two weeks before the birth and this minimum entitlement should be available to women irrespective of their financial circumstances prior to the birth.

However treating people equally does not mean treating everyone in the same way, and while income support which recognises additional expenditure occasioned by having a child is an important recognition of this fact, the RTBU does not support women in paid employment being required to choose between maintaining the income they earned prior to the birth and their right to bond with and enjoy the child they have chosen to have and breastfeed.

2. Aspects of the transport industry generally including the role of bargaining in establishing wages and conditions in the union's area of employee coverage

- (i) The Australian Rail Tram and Bus Union is a federally registered organisation of employees that operates to organise workers in the industry covered by the union

across every State and Territory.

- (ii) The occupations and skills levels in the industry cover the full range of skill levels found in industry generally.
- (iii) The industry operates inter and intra state rail freight and passenger services, as well as light rail and publicly owned bus passenger services.
- (iv) Members of the RTBU have relied on collective bargaining to establish their terms and conditions of employment, since 1991, and with the exception of Queensland, bargaining has occurred exclusively within the context of federal industrial regulation
- (v) Women's share of overall employment in the industry is 10% but in occupations such as Customer Service Attendant (Station Assistant) and base grade clerical roles, women's share of employment rises to between 25% and 35%.
- (vi) Women comprise 7% of bus drivers, and a growing percentage of train crewing grades, as the industry has sought to recruit and retain more women workers.
- (vii) Shiftwork over the twenty-four hour cycle, seven days a week, is the norm in this industry, together with the requisite penalty rates and overtime rates for work in excess of standard fortnightly hours. The impact of shift work has a large effect on employees' actual remuneration, and in some areas acts to increase gross pay by around 25-30%.
- (viii) Awards in this industry perform the 'safety net' function that federal industrial regulation mandates, and do not reflect the actual incomes earned by the men and women who work in the industry. The maintenance of workers' living standards in this industry depends on a capacity for collective bargaining with employers for rates of pay and conditions above the rudimentary safety net that applies to employees reliant on 'safety net' provisions for maintaining their living standards. Collective bargaining for standards such as paid maternity leave for 28 weeks, with the requisite income support would present grave difficulties for women and men this industry, in the face of intransigent employer opposition to wage claims which even now, seek merely to maintain *existing wages and conditions*

3. Paid Maternity leave must incorporate sufficient time for the health of the infant and the income support for the time necessary for baby and mother

- (i) The RTBU believes that rights worthy of the name must be universal, enforceable, accessible and meet the requirements of their stated purpose for both the individual and for the society as a whole.
- (ii) The optimal policy concerning the minimum *leave* entitlement for mothers who have born a child is sufficient time to breastfeed for six months after the birth, away from the demands and stresses of the workplace. The World Health Organisation is clear that breastfeeding should be initiated within the first hour of birth, and be continued exclusively for up to six months of age.¹

¹ <http://www.who.int/topics/breastfeeding/en/>

- (iii) While all public policy involves ‘trade offs’, the nature of the trade offs made point to the underlying values and priorities of those who make the final decisions.
- (iv) ‘Breast milk’ is not a ‘commodity’ like formula milk, and its benefits to mother and child are not maximised by being expressed at work, bottled, refrigerated, and transported home for administering to the child, hours after it has been expressed. Paid breastfeeding breaks cannot possibly substitute in a meaningful sense, for the necessary time and attention that mother and child require after birth.

The utility of an entitlement such as paid breast feeding break is necessarily circumscribed by the nature and demands of the workplace and the work undertaken by the woman. The substitution of such breaks for 26 weeks post birth leave discriminates against women in non traditional employment, and would result in increased discrimination against women seeking employment in industries and occupations where facilities would need extensive reconfiguring to provide hygienic facilities for this purpose.

The RTBU believes that the minimum optimum policy that can appropriately be adopted, is one that permits **all** women to have access to additional income protection during the 28 weeks leave period, and which ensure that women in paid employment and the households that rely on their income are entitled to the maintenance of at least their ordinary time earnings whilst on leave, as well as family payments that recognises the costs of having children. .

3.1 Sufficient time and income support for women in paid employment will not be met by treating women’s needs in this area as a ‘welfare safety net issue’

The RTBU does not support an approach to paid maternity leave which treats this type of leave as different in principle to any other leave to which persons in paid employment accrue an entitlement.

Nor does the union support a scheme where the income of women in paid employment is treated as a ‘welfare payment’ when they take leave to bear and breastfeed a child.

The income needs of women in paid employment are no different from the income needs of men, and this is so, even, or especially when women’s comparatively lower level of wages and total remuneration compared to men is taken into account. Residual, meagre, ‘safety net’ welfare payments do not match earned income for the very good reason that Australia’s welfare safety net is not structured to replace earned income, it is structured to provide minimum publicly funded support until a person finds a job.

Whatever the merits or drawbacks of Australia’s traditional approach to publicly funded income support, it is fundamentally unfair to treat women’s income from paid employment as a largely ‘token’ amount, which can be treated as less important to the needs of women and their households, than the income men derive from paid employment. It is also a backward step for women and working families generally, to use women’s needs for time and income support upon the birth of a child, to attempt a fundamental restructure of Australia’s approach to welfare, however desirable that goal may be in general terms.

Women in paid employment prior to having a child already have a job - what they need is the time (and their earned income) to maintain themselves and their child for the recommended minimum to optimise the health and welfare of their babies and themselves.

4. Approach to income support issues

4.1 Taxpayer funded transfers plus an employer levy

In order to meet the goals that reflect the RTBU's values, and the relevant International Convention², the union supports a scheme which is funded by both government and employers, in a way which distributes the financial costs in accordance with the financial requirements of working families, and in accordance with the need for some redistribution of the cost burden to employers, in order to take account of the different distribution across industries and occupations of women's employment compared to men.

(a) Taxpayer funded transfers

The RTBU submits that tax payer funded transfers are already accepted as a means of recognising the additional expenses that bearing or adopting a child involve for the woman and her household, and the union supports lifting such transfers to an amount which would include the basic employer contribution to retirement income, and a base payment which is a tangible (as opposed to a sentimental gesture) recognition of the skills and importance that the society as a whole attaches to the decision to have and rear a child. All women should be entitled to a payment equivalent of half the minimum wage plus employer superannuation contribution, paid over 28 weeks.

This would lift the current Baby Bonus of \$5000 (1st July) to \$7971.60, calculated as follows:-

Minimum wage plus 9% employer contribution (\$522.40 + 9%)
\$569.40

Payment over 28 weeks

\$284.70 (current pension \$273.00p/wk)

Total amount over 28 weeks
\$7971.60

In the Budget 2008/09, the federal government determined that the Baby Bonus would be paid over 26 weeks in fortnightly instalments.

(b) Pooled employer funds

The RTBU supports an employer funded pooled contribution scheme designed to operate in a manner similar to the NSW Building Industry Long Service Leave Payments Corporation, which operates a pooled levy scheme to ensure that building workers obtain paid long service leave in an industry which requires workers to move from employer to employer over the qualifying period for long service leave.

Such a levy should be sufficient to ensure full income replacement at OTE for the mother over

² C130 Maternity Convention 2000

28 weeks, and be sufficient to permit the non birth partner an amount of four weeks paid leave at their OTE to be taken at a time chosen by the parent(s) during the 28 weeks leave.

(c) Payment Adjustment issues

(i) It is important for the integrity of the rationale adopted by the RTBU for a universal tax payer supported universal payment that this payment be adjusted automatically in line with the adjustments awarded by industrial tribunals for minimum wage workers, and equally importantly, that industrial tribunals should be *specifically prohibited* from reducing, over time, the ‘market value’ of the minimum wage, on the basis that households are entitled to this transfer payment where a woman has a child in a particular year. Currently the baby Bonus is indexed annually to the CPI.

(ii) The RTBU rejects the proposition that transfers of public money may be properly directed to ‘reducing’ the cost of employing people who forgo time and devote personal skills, to the business of an enterprise established for the purpose of profit to the owner

(iii) Any adjustments to the **employer supported income** during maternity leave should be paid after the return to work of the woman. This approach is both fair and practical, since increased attachment to the employer is an appropriate purpose for the payment both for the individual employer and for encouraging labour market attachment generally.

5. Australia’s economic position

(i) Australia is in the fortunate position of being among the wealthiest countries in the world. It is the tenth wealthiest country in the OECD.

(ii) Australia’s GDP (Gross Domestic Product) per head, (\$35453) is the tenth highest of the 32 OECD countries, higher than Sweden (\$31364)³ whose paid maternity leave scheme permits 18 months paid leave including three months for the non birth partner. Australia’s GDP per head is higher than the OECD average.

5.1 The contribution of women to Australia’s prosperity and stability

The increased mobilisation of women’s skills and time in the employment market has made a vast and generally overlooked contribution to the growth in GDP, productivity and the overall prosperity of the Australian economy in the last twenty years. The contribution of their unpaid skills and time in caring for dependents and maintaining others in the household, continues to save tax payers (both PAYE and corporate) billions of dollars which would otherwise be required in order to pay.

Women’s economic activity in the labour market takes place for the very good reason that the money it yields is required by the person and the household where she is so engaged. A paid maternity leave scheme should be designed to ensure proper recognition of women’s efforts and contribution to supporting themselves, their dependents and to the prosperity of the economy generally.

³ Reference OECD Fact Book 2008:Economic, Environmental and Social Statistics-ISBN 92-64-04054-4 OECD 2008-<http://ocde.p4.siteinternet.com/publications/dofiles/02-01-01-g2.xls>

6. Details of proposed scheme

- The scheme preferred by the RTBU would provide 28 weeks paid leave to women who have engaged in paid employment of *any kind*, arranged in any way, for twelve consecutive months prior to the birth of the child. Two weeks would be available to prepare for the birth of the child, and twenty six weeks available after the birth. Any time not used prior to the birth could be transferred to extend paid post birth time
- Government contributions would consist of the ‘enhanced’ Baby Bonus, (BB) paid in fortnightly instalments over 28 weeks. This payment would be available to all women upon the birth of a child, whether they were in paid employment or not.
- Women in paid employment would be entitled to no less than their ordinary time earnings for the full period of leave, (including employer superannuation contribution) and the contribution of the \$7971.60 PP to their ordinary earnings whilst on paid leave would reduce according to the level of ordinary time earnings they were entitled to arising from their previous labour market activity, paid for from the employers’ pooled funds. The *earned* income entitlement payable during the minimum period of paid maternity leave should not be means tested.
- Women and men would be able to utilise other forms of leave to extend time with a child.
- Women would be able to have two years ‘maternity leave’, meaning the right to return to their previous job after 24 months leave, which could be shared equally with a partner upon the expiry of the paid portion of the leave.
- The entitlement to paid leave should be flexible enough to allow partners to spread the payment over a longer period where family budgets make this possible, to split the leave over more than one period, or to combine part of the paid leave with part time work, if circumstances warrant it.
- Employers would be required to pay into a ‘pool’ an annual payment based on payroll (around 1%) sufficient to meet 28 weeks for women in paid employment (less the \$7971.60).
- The amount would be calculated in a way so as to enable men or another carer to take up the opportunity for paid leave in order to either assist the mother at birth, or take over prime responsibility for the care of the child where the parents decide to adopt this approach for a maximum of four weeks during the 28 weeks paid leave.
- An additional amount worth four weeks pay at minimum OTE would be available to small business (<15 employees) to assist with the costs of induction/training for temporary replacement employees)
- Access to paid leave after the birth of a child would be independent of the number of employers a woman worked for during the previous twelve months, and independent of the nature of the employment contract, thus eliminating the direct discrimination that currently operates against workers in casual and part time employment, or who work in one or more part time/casual jobs over the previous year.

Table 1 at page 18 sets out examples of payments to women working varying hours based on the income derived from their labour market activity for the previous twelve months.

The proposal supported envisages that women's earnings could be derived from more than one employer, and the hours could be worked in any pattern for the previous qualifying period. The key issue for the purposes of the total payment whilst on leave is that a woman's average ordinary time earnings for the previous twelve months are paid to her when she is on maternity leave for 28 weeks, meaning that she receives 53.8% of her previous twelve months income for the leave period.

6.1 Budget Outlays

Budget outlays would amount to approximately \$2.34 billion dollars based on a payment of \$7971.60 to 291,876 women who either give birth or adopt each year. Current budget outlays for the 'baby bonus' amount to around \$1.3 billion dollars.

The income tax paid by women who received paid support equivalent to 28 weeks OTE during the leave has not been calculated or deducted from this amount; this would need to be calculated in order to establish the real net cost of the publicly funded proportion of the scheme. Savings on other means tested payments, such as Parenting Payments or Family Benefits, have not been calculated.

7. Rationale for the preferred scheme from the transport industry perspective

- Over two thirds of Australian women have no access to paid leave for the purpose of bearing and breast feeding a child. Where there is access it is overwhelmingly concentrated in the public sector (including higher education), with some provision in the financial services industry. Employers in small and medium sized businesses, where women employed in the private sector actually work, are not in a position to offer decent paid leave to their own employees, where the full cost is born directly by the business
- Access to paid leave for the purposes of bearing and rearing a child is overwhelmingly concentrated in industries and occupations which are characterised by reasonably well paid, regular and permanent employment.
- Shift work industries (except where they are public owned and operated, such as health, emergency services and law enforcement and some urban passenger transport services) do not provide this kind of leave, despite the fact that shift work imposes a high burden on employees as a result of the unsocial hours and shift patterns. The retail sector which is the largest 'shift work' industry in the country by weight of overall employment can only provide 24% of women with paid parental leave.⁴
- Current arrangements mean access to paid maternity leave is usually predicated on continuous employment with one employer for a period of time-ranging from 40 weeks to two years. This requirement means that women who are employed as casuals or in a couple of part time jobs are not able to maintain their income while they are on leave.

⁴ ABS cat no. 3301.0 2006

- In the transport industry, women's share of overall employment is 10%. The industry is a 24/7 shift work industry. Where the operator or network is publicly owned, women are entitled to paid maternity leave. In NSW publicly owned transport operators grant nine weeks paid leave, and up to a total of two years leave after the birth of the child. There is no right to paid leave for men or the non birth parent, to assist with, or engage in, the parenting of a child.

South Australia and Queensland's publicly owned transport sectors provides the highest amount of paid maternity leave for women in this industry. Currently it is fourteen weeks. This is still fourteen weeks short of the required amount.

Victorian public transport operators provide twelve weeks paid maternity leave, together with one weeks paid leave for the non birth parent.

Tasmanian publicly owned urban transport provides eight weeks paid maternity leave at full pay, and sixteen weeks at half pay.

Where rail work has been contracted out, the companies concerned apply the paid maternity leave provisions that exist in that company at the time. This invariably means that access to paid maternity leave is lost as outsourcing of rail work increasingly means the loss of beneficial provisions which are employer specific.

In the rail freight industry only Pacific National provides paid maternity leave, which is currently six weeks paid leave (and the statutory 12 months unpaid leave). The leave is a discretionary payment, meaning it is not contained in an enforceable industrial instrument.

- Skill shortages are affecting the transport industry in every sector. Operators are increasingly looking to recruit women to replace a rapidly aging largely male, workforce. In a shift work industry such as transport, which places higher than usual burdens on the physical and mental well being of workers, decent paid leave is vital for every worker, both for their safety and the safety of others. A badly designed, and individually expensive paid maternity leave policy will ensure that the transport industry continues to find it difficult to attract the workforce required to ensure its fundamental role in the economy.
- Badly designed minimalist leave policies will also simply perpetuate women's very low share of jobs in the industry, and will actively contribute to the already overwhelmingly gender segregated nature of occupations and industries in Australia.
- The propensity for governments to privatise service delivery entities means that the existing paid maternity leave schemes are vulnerable to total extinguishment over time, or else will be 'frozen' at their current, inadequate provision.
- The alternative to a scheme which guarantees income support during maternity leave is that working families are required to 'save' the required money, in order to 'buy' the time. Table 2 at p 18 of this submission sets out the amounts of money women in this industry (and their households) would need to save in order to take paid leave for the minimum optimal time of twenty-eight weeks. It can be readily appreciated that the 'savings' required are considerable, even where fourteen weeks at OTE is already available as it is in Queensland and South Australia..

8. Work/Family balance-What does it mean in practice for workers in Transport?

‘Work/Family balance’ is in danger of becoming mere slogan rather than a call to action.

Stripped of rhetoric, the demand for a balance between the demands of paid employment, and the needs and obligations owed to dependents and to important personal and civic relationships, simply means that people require the time (which often means ‘money’ if income earning is forgone) to attend to the non income earning business of life.

In a market economy we are constantly reminded, ‘time is money’. This means that earning sufficient money increasingly requires more time, as the lengthening hours of work for employees in this country attests.

8.1. Working time in transport and its impact on health and well being

In the transport industry, twelve hour days at work (whether direct shift lengths, or broken shifts across the span of hours) are the norm. In addition, workers in this industry face long commutes between signing on at the workplace and home. Unsocial hours, demanding and often dangerous work mean that fatigue, even when there are no other pressures on a worker, is a constant fact of working life. It is not unusual for members of this union to face a working day (total time away from home) of upwards of fifteen hours, leaving precisely one hour after sleep for demands, activities and interests that are not work related.

While these pressures are not unique to the transport industry, the RTBU’s view is that limits must be placed on the tendency to require ever greater effort from working people, and that the demands of the ‘economy’ will grow infinitely, unless limited by collective social action in the face of the needs of the people whose efforts are required to keep it going. All people have a right to a life and to attend to needs that are not dictated by the demands of the industry which their working time makes possible.

It is the view of the RTBU that the existential human reality of women’s singular capacity for giving birth and breastfeeding is best met by collective and rational social arrangements which are universal, accessible to all, and which permit, as far as possible, people themselves to design balances between income earning and ‘free’ time. In order to permit this goal, policy provision must permit real options, and recognise the real limitations for people who must work for a living, which arise from prescriptions founded on abstract and ahistorical notions like ‘individual choice’, especially when this term is directed to the socially necessary but individually realised goals, of human reproduction.

9. The contribution of bargaining or the NES to ensuring the minimum required leave and income support

(i) Anything above the minimum government payment can be bargained for

Any scheme that relies on women ‘bargaining’ in order to provide the minimum required leave and payment, will fail to ensure every woman and her baby obtains the minimum required leave and income support that is the norm in every civilised country in the OECD (with the exception of the US).

It is not possible for women to ‘bargain’ their way to a decent paid maternity leave scheme.

There are a couple reasons for this. The first is that women are overwhelmingly concentrated in occupations and industries that are Award reliant. This means collective *bargaining* plays an insignificant role in the establishment of the market wage and the conditions of employment. Women’s private sector employment is concentrated in Hospitality, Aged Care, Retail, and Business and Personal services.

Where women are employed in areas traditionally considered to be part of the ‘bargaining sector’, such as transport, a claim for additional paid leave of 28 or even 14 weeks, (which represents a considerable outlay for an individual employer) would almost always be subsumed in a general claim for improved pay and conditions, and women would be in the position at best, of being required to ‘trade’ annual pay increases (meaning maintaining existing living standards and reward for increased productivity) for an entitlement to paid leave for a purpose that they, and only they would be able to access.

It is not hard to see in those circumstances that an already unsatisfactory pay equity situation would become intolerable as women’s wages and salaries for work of the same or comparable work value would fall even further, as result of being required to ‘trade’ pay for decent paid maternity leave.

It is instructive for the purposes of this argument to examine just how much *actual* pay men have been prepared to ‘trade’ for the right to be a parent.

The relative dearth of any paid paternity leave of any significance in this country, even in the male dominated bargaining sector of the labour market, speaks for itself.

(ii) Mandating leave ‘top up’ via the National Employment Standard (NES)

Award based payments mandated by the NES, (presumably by government legislation) which required each individual employer to fund the employment wage for fourteen weeks directly out of their own payroll would fall heaviest on employers where women’s employment is concentrated. In addition, where it is mandated by government legislation, it could be expected to meet fierce resistance from precisely those industries and occupations which are ‘crowded’ in respect of the numbers of women in employment in those industries or occupations. Political realities would dictate great policy caution from any government which sought to ‘mandate’ full paid leave provision from individual employers.

Where an employer is required to pay the full ‘top up’ difference between the minimum wage for 14 weeks (532 ordinary hours) and the *actual* wage earned by women for 28 weeks (1064 hours x OTE) the predictable result would be to lower women’s ‘market wage’ in order to take account of the costs of employment of women of child bearing age, or alternatively, a reluctance to employ women of child bearing age at all.

Discrimination at the point of hiring is hard to prove. Doubtless there would be many complaints brought to the relevant tribunals in an effort to establish that just such an event had occurred. This approach would involve very high transaction costs, while doing *nothing* to establish a basic entitlement whose overall cost would be less than perpetual litigation designed to force employers to pay expensive (on an individual basis) entitlements.

Any arrangement that was likely to produce a result that either lowered women's earned market income, or resulted in employment discrimination should not be countenanced on public policy grounds, and is opposed by the RTBU.

We don't expect men and women who take leave for their purposes of contributing to Australia's defence force capacity to be paid at the minimum wage, irrespective of their earnings at the time. There appears to be no reason other than prejudice or political opportunism to treat women who contribute to the stability and prosperity of the society by having babies, any differently.

10. Issues/objections raised in the Productivity Commission discussion paper and elsewhere concerning paid maternity leave

(i) 'People should save and pool existing leave entitlements if they want to have children -after all, it's a personal decision.'

While the decision to have a child is perforce a personal decision, falling pregnant does not always result from a considered rational decision. For women (and the households who depend on their market wage), becoming pregnant should not mean a 'choice' to either terminate the pregnancy, or potentially lose the roof over the head, or return to work, tired and stressed, after having a baby, whose care after three months would be consigned to someone other than the birth mother.

The idea that individual employees may be required to 'save' pay and leave entitlements in order to have the right to be with, and breast feed a new born child, when automatic leave entitlements exist for a whole range of other purposes, is an anomaly in the 21st century. It is also not consistent with International Conventions concerning paid leave for their purposes of breast feeding.⁵

While it is proper that family members assist each other as the need arises, we do not expect families to make provision to pay for annual leave and sick leave entitlements out of their accumulated savings/earnings.

It is difficult to see how a family earning a combined income of \$75000 pa, to which a woman contributes 40% (\$30,000) could possibly 'save' the \$15,900 required to replace her income for 28 weeks.

In a family where the woman contributes 50% of the household income it would be correspondingly more difficult.

Combined incomes represent the income a household earns in order to maintain themselves now and in the future. Australian household savings levels have never been lower. It is difficult to see how families that are struggling to save to buy, or are currently renting a house/flat, could at the same stage of their life cycle, also manage to 'save' around 15-21% of

⁵ C 130 Maternity Protection Convention, 2000. 'Taking into account the circumstances of women workers and the need to provide protection for pregnancy, which are the shared responsibility of government and society..'

their income to pay for the 28 weeks necessary to relieve one partner of the necessity of returning to work immediately after the birth of a child.

Policies which require this solution are policies which are contributing to decisions to delay child birth to a less than safe age for women, or to forgo having children altogether

Policies which permit families and households to maintain their income for a decent period after the birth of a child will encourage women and men to have their preferred family at an earlier time in their life cycle, rather than 'wait' till they can 'afford' the time, and the forgone income, that it currently requires.

(ii) Employers are gradually 'moving' in the direction of providing paid maternity leave, and it should be left to individual employers to offer this benefit as a means of 'attracting' employees, and gaining status as 'employers of choice'

The decision to offer particular benefits as a means of attracting employees is a matter for individual employers. There is nothing preventing employers from offering enhanced paid leave provisions for parents as a means of attracting and retaining valued employees.

However the decision to ensure that *all* women have the minimum necessary time and income to combine paid employment with their parenting responsibilities is a matter for public policy.

The 'market' cannot provide the universality of access, combined with low transaction costs that a publicly supported scheme would do. The burden on individual employers to provide paid maternity leave, where such provisions would be difficult for the individual employer will mean that only a restricted number of employers will be in a position to offer any paid leave at all. The capacity for any employer to offer 28 weeks paid leave, without the assistance of a publicly organised and collaborative scheme is clear, since only in the Tertiary education sector are women offered anything in excess of 14 weeks paid leave. Fourteen weeks is better than zero weeks, but twenty eight weeks is the minimum leave possible if even barely decent health and welfare outcomes for Australian women and their babies are to be realised. Twenty eight weeks is the proper minimum starting point for paid leave which maximises the health and welfare of the child.

(iii) 'Paid Leave increases family income'

A shift from unpaid to paid leave does not act to 'increase' family income'. Where a woman is in paid employment prior to the birth of the child, payment at her ordinary time earnings, simply **maintains** income, and where the woman works in a shift work industry, income will actually drop slightly while a person is on paid leave, where shift penalties and access to payments for additional work are a feature of the remuneration in the industry. The birth of a child is a time for every household when income needs to be at least basically maintained, not extinguished altogether.

Where the woman is not in paid employment the proposed universal payment takes account of the additional expenses that arise with the birth of a child as well as recognising the contribution of time and skills all women make to establishing and maintaining a family whether combined with a market income or not. It is only in circumstances where a woman was not engaged in paid employment at all, or only to a limited extent that a family's income would be (temporarily) increased by the payment of a universal benefit as outlined in the preferred policy option adopted here.

A level of benefit equivalent to half the minimum wage, paid over twenty-eight weeks boosts the income of women and their households where they are not in paid employment prior to the birth, and would lower the overall costs for employers paying a levy to ensure income replacement for the majority of women who are in paid employment at the time of the birth of their first child.

(iv) Women's foregone contribution to household income is not a significant cost burden on women or their households while they take leave to have and breastfeed a baby, especially when the woman is a low paid worker in a high income household

Women engage in paid employment for the same reasons men do:-

- To feed, clothe and house themselves, participate in general community life and ensure a decent standard of living in retirement
- To contribute their income earning efforts to the feeding, clothing, housing and capacity for community participation, for themselves, dependents and other adult members of the household in which they live
- To exercise their skills, qualifications and capacities for monetary reward and personal satisfaction
- To build a career
- For social contact

The idea that women work for reasons other than those which apply to men's labour market activity is patronising, outdated, self serving and ignores the overwhelming facts of contemporary society as well as the aspirations of women and men. However equity is not served by ignoring the fundamental human reality, that it is women who bear and breastfeed children.

Around 70% of women of child bearing age are in the workforce. It is not sustainable that in order to have a child women face a drop in income, or alternatively, return to work early because of the need to maintain their income, or decide that the financial pressures are too great to forgo the income for the time necessary to bear and breast feed a child.

Australia is a wealthy country. There is no reason that we can't design and implement a paid maternity leave scheme that supports infants, mothers, households and the general economy, while rewarding and encouraging labour market participation effort.

The long term goal of lifting the incomes (including retirement incomes) of women in paid employment will not be assisted by designing a scheme for paid maternity leave which presupposes women's greater likelihood, to be in low paid, minimum wage jobs. Such an approach sends the unfortunate message that minimum wage employment is somehow an appropriate 'default' position for women in the labour market, and serves to entrench notions that women's income needs are properly met over their life cycle, by low wage, minimum income employment.

The privatised retirement income scheme adopted by Australia, which is predicated on compulsory employer contributions to individual superannuation accounts, means that urgent action has to be taken to boost women's income from paid employment over their lives. Women are entitled to the recognition of their income earning efforts prior to having a child,

in the same way that women and men's income earning efforts are recognised when they take leave to boost Australia's defence readiness. Women are entitled to public policies which encourage and support their efforts to participate in paid employment, as well as have the children that they deem appropriate and that the economy requires.

Summary and Conclusion

While women (and their partners) necessarily forgo personal and household income until a child becomes financially independent in order to have children, and while the 'satisfactions' arising from this activity are necessarily private, the results of millions of women willing and wanting to have children, is the reproduction of the society, and the establishment of families, which is widely held and deeply felt to be a valuable activity representing appropriate aspirations for adults, as well as a sustainable basis for stable and enduring social reproduction and personal formation .

While these views may seem somewhat 'conservative', the irreducible social and political reality is that there would be no serious majority public support for the proposition that the society and nation would prosper, let alone be 'properly constituted' if the 'costs' of generational reproduction were to be dealt with solely by 'importing' young, work ready persons, whose basic skill formation and social adjustment was undertaken by other people from other countries, merely to 'save' individuals, households and Australia's 'economy' the time and foregone 'market income' of its own reproduction.

The arrival of a child (whether by birth or adoption) necessarily incurs expenses additional to the normal expenses incurred in living prior to that event.

Over a child's lifetime (up to attaining personal economic independence) a dependent child 'costs' thousands of dollars. The actual contribution made by the taxpayer and the proposed employer levy to the time required to have two children (a total of 18 months paid leave over a potential earnings time of 30 years) is a fraction of the time and money that will be invested by the parents in their children's future.

Australian household income is stretched as never before. Women and men are working longer hours, over a greater period of their adult lives than ever before. The total hours devoted by couples with dependents to earning market income is increasing. There is no real and rational reason why women in paid employment, in a wealthy country like Australia should be required to 'wait' any longer, for paid maternity leave provision which would grant them the minimum time necessary in order to provide their babies with the optimal care and attention that health experts and most importantly, women themselves believe, they and their children should be entitled to.

Table 1.

	Examples of hours and rates of pay for twelve months prior to birth (incl SGL)	Government contribution- Parenting Payment (PP)	Annual Ordinary Income from paid employment for previous 12 months	Income for 28 weeks if she had continued employment	Contribution from the employer's parenting pool (EPP) calculated as 28 weeks OTE less PP	Women's weekly payment entitlement for 28 weeks
1	No labour market activity in previous 12 months	\$7971.60	Nil	N/A	\$Nil	\$284.70 ⁶ (\$569.40) for 14 weeks
2	395.2 ⁷ hours @ \$15.00p/hr ⁸ (1 Shift)	\$7971.60	\$5928.00 (\$114.00p/wk)	\$3,192.00	\$Nil	\$284.70
3	790.4 hours @ \$15.00p/hr 2 shifts	\$7971.60	\$11,856.00 (\$228.00p/wk)	\$6384.00	\$Nil	\$284.70
4	1185.6 hours @ \$15.00p/hr 3 shifts	\$7971.60	\$17,784.00 (\$342.00p/wk)	\$9576.00	\$1605.00	\$342.00
5	1976 hours @ \$15p/hr F/T	\$7971.60	\$29,640.00 (\$569.70p/wk)	\$15,951.60	\$7980	\$569.70
6	*1248 hrs @ \$19.80p/hr 3 shifts	\$7971.60	\$24710.40. (\$475.20p/wk)	\$13305.60	\$5334.	\$475.20
7	1580hours @ \$18.20p/hr 4 shifts	\$7971.60	\$23,712.00 (\$456.00p/wk)	\$12,768.00	\$4797.00	\$456.00
8	1976 hours @ \$25.30p/hr	\$7971.60	\$49,992.00 (\$961.40)	\$26,919.20	\$18947.60	\$961.40
9	1976 hours @ \$34.00p/hr	\$7971.60	\$67,148.00 (\$1292.00)	\$36,176.00	\$28204.40	\$1292.00

***AW(F)E \$752.10 p/wk (19.80p/hr) incl 9% super contribution. Figures at Row 6**

⁶ Current single pension is \$273.00 p/wk

⁷ Payment to a woman during leave is calculated on ordinary pay that the woman would receive during the 28 weeks if she worked. Where she did not engage in any employment during the previous 12 months she is guaranteed \$7971.60 (\$284.70 per week). The employer contribution rises as the woman's labour market participation rises, and her dependence on the PP to maintain her guaranteed weekly earnings of \$284.70 per week for 28 weeks, drops

⁸ The minimum hourly rate including employer's super contribution (\$522.4+9%/38)

Table 2 RTBU key classifications and gap between minimum wage for 14 weeks and 28 weeks at OTE
All grades have growing number of women employees

Classification	OT hourly rate (\$) (incl SGL)	OTE for 28 weeks (1064 hours)	*Income gap between OTE 28 weeks and minimum wage for 14 (7971.6)
**Clerical Assistant (Gr1 Adult)	19.5	20748.00	12,776.00
**Cleaner (rolling stock)	18.1	19258.40	11,288.00
**Customer Service Assistant (Gr 1)	20.2	21492.00	13,521.00
**Bus Driver (competent)	22.89	24355.00	16,383.00
Signaller (Base Grade)	23.70	25216.80	17,245.00
Guard (competent)	24.00	25536.00	17,564.00
Infrastructure (non trade)	18.90	20109.60	12,138.00
Infrastructure (trade)	23.60	25110.40	17,564.00
Fitter (wagon)	22.20	23620.00	15,649.00
Fitter (Elec)	23.00	24472.00	16,500.00
Locomotive Driver (competent)	27.10	28834.40	20,863.00
Professional Officer (Gr 1)	39.10	41602.00	33,631.00

*Amounts rounded to nearest \$

**Classifications representing majority of female employment