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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 MELBOURNE ON WEDNESDAY, 14 MAY 2008, AT 10.04 AM
Continued from 13/5/08**

MR FITZGERALD: Rob, if you could give your full name and the organisation that you represent, and then we'd be happy to hear from you and then we'll have a discussion about the points you raise.

MR HITCHCOCK: Sure. My full name is Robert Lawrence Hitchcock. I represent myself at this inquiry.

MR FITZGERALD: Good. You're with a university or independent?

MR HITCHCOCK: No, I'm a private consultant in labour policy. I've advised governments on international labour law issues.

MR FITZGERALD: Right.

MR HITCHCOCK: I work in various capacities for things like the ILO. I have worked for the OECD, and I've recently returned from a four-year stint overseas. So I'm actually interested to come back to Australia for a whole stack of reasons.

MR FITZGERALD: And hear that this issue was still on the boil and it's still around.

MR HITCHCOCK: Absolutely.

MR FITZGERALD: Anyway, over to you. If you'd like to give us some opening comments.

MR HITCHCOCK: Okay. Look, these are just some observations and I actually threw those dot points together at Troy's request. They don't make a lot of sense to me now that I'm reading them. But just to add to a couple of them, I think: I do think that it's important to look at maternity leave as a right rather than an entitlement. The reason I say that is because it can get very confused to both the workforce and to the employer if it's not clear from the very start that it is a statutory right we're talking about to take maternity leave.

I've had many years in the north of Australia trying to explain to people what maternity leave was, particularly indigenous people, and that in itself was as a difficulty. So I do think it's important to start from there. But really in that context, I don't think there will be a difficulty with that issue, although if you take the English model it can get quite confusing because of the way they have a maternity leave allowance and a maternity leave payment. I can't quite remember but there's a statutory component and then there's an allowance that plays catch-up for lower paid workers. So I'd certainly suggest that you try to avoid that at all costs, just because of the confusion issues.

In relation to the international labour law picture at the moment, I would say this, and I think it's important to note, that to date World Trade Organisation agreements have steered away from the incorporation of human rights and labour conditions in the body of their documents. This has been an approach that they have at times publicly stated that they were going down that path, but it's fairly clear that there's a growing pressure certainly in European countries, and I suspect with changes of government here and probably in the United States, that you're going to see more pressure for some recognition of human rights, and quite possibly labour conditions within the broader parameters of trade agreements in the future.

The reason I mention it in the context of maternity leave is that behind that of course it is not a completely noble or altruistic approach that the Europeans have on this matter; it is a belief that some countries, and particularly emerging power bases such as China and India, undercut Western manufacturers and service providers by exploiting their own workforces. But the Europeans don't think for a moment that they can regulate the wages of these countries, nor do they think they could somehow impose a regulatory regime to somehow bring about some sort of increase in wages.

What they are talking about, however, is targeting those conditions of employment which go to human rights. That may well extend to the issues of certain basic human minima, if you like, in the workplace. That may well extend to maternity leave as the discussions that I've heard have already gone to annual leave, sick leave and hours of work. So you can see why I would think that it may well be the case that maternity leave gets caught up in that over time.

Now, what that means for the Australian picture is that if we want to push the other issues in the broader trade picture, it is useful for us to be also having a paid maternity leave provision in the same way that most of those European countries have, if not all. It's just a case of no-one can point at us and say that we haven't got it, in that sort of debate. That's all really I wanted to say on the question of recognition and how to look at maternity leave.

In terms of the eligibility for maternity leave in the modern society, I do think, having looked at a number of the systems overseas and particularly in Europe, that really you do need to ask the question about why we are not recognising women who live at home, work at home, are not paid for the work that they do at home. It's an age-old debate, but it doesn't seem to get a lot of mileage. That worries me for a number of reasons, and most particularly - I'll just run through a few of them, because I think we all recognise that our economies are changing, and have changed quite radically in the last 20 years. The manufacturing sector in Australia relative to 20 years ago when I was living down south is - well, let's just say it's far less significant in policy-making pictures than it was before.

What we are seeing, however, are increasing numbers of casual workers employed in more than one job. You certainly see that in the fringes of Melbourne. You're also seeing a shift towards more people working a substantial period of time at home, hence standard definitions of hours of work are becoming blurred, as is the classic employment relationship where workers are paid for the time they are at work. It's a trend toward payment for work performed, rather than for the hours worked; in other words, for the tasks completed or the projects finished rather than the hours worked.

You only have to look at some professional classes to see how distorting this process is becoming. I mean, I was wandering through a legal firm the other day and looking at the bizarre way in which they put together their charges. I mean, the billing process based on hours of work just doesn't make a lot of sense in those contexts, but they've got no other real way of expressing it to the satisfaction of their clients so that's what they do. That sort of stuff, because of the nature of the technologies we're now using, because of the nature of the complexity of the information that we're now dealing with in many areas, has to - well, it still has to in the current context find expression as hours of work, but really it's coming back to the product and what's being produced. That's happening also at home. People are taking more and more work home. It's being done at home.

That brings me to the third one, I suppose, which is, the question arises whether many of these people are still employees at all and whether or not they are subcontracting on particular tasks. This increased home based employment, I suppose, also means that a percentage of mothers will actually choose to return to work earlier than they may have done if they were required to work in a workplace. It's just the nature of human beings, that if they can get back to the job that they like doing, they will. I think whatever provisions are made in the picture here for paid maternity leave, that has to be somehow recognised that that could be a factor and they certainly shouldn't be penalised for that.

They're the sorts of issues I think that are very important in this picture. It says to me that it's becoming infernally difficult to separate out a paid female worker and impose strictures on, you know, you have to have worked eight hours minimum per week in order to be entitled to this et cetera. If that's the line that you go down, I think it will just become more and more difficult to be fair in its application. I won't say any more about that at this stage. The next issue I wanted to touch on quickly was the method of calculation.

MS MacRAE: Sorry, can I just hold you up, just one there.

MR HITCHCOCK: Sure.

MS MacRAE: So your conclusion out of that, because of difficulties of definition as much as anything else, is what leads you to say that it should be a universal payment, whatever or however the scheme works.

MR HITCHCOCK: Yes, and how you want to - - -

MS MacRAE: Sorry, just so I get the conclusion there.

MR HITCHCOCK: Yes.

MS MacRAE: Yes.

MR HITCHCOCK: And how you want to play that in that context.

MS MacRAE: Yes.

MR FITZGERALD: But just taking that point, we already have the unpaid leave provisions or the right to return-to-work provisions which are likely to be extended even further by the end of this year, they have a set of eligibility criteria which is effectively permanent full-time, permanent part-time and a high level of casualised areas in the previous 12 months, or the 12 months preceding when you would take that leave.

MR HITCHCOCK: Yes.

MR FITZGERALD: Why would you not continue to maintain that eligibility criteria for a maternity leave payment? Putting aside what we do for those that are excluded; let's put that aside for a moment.

MR HITCHCOCK: Yes.

MR FITZGERALD: It seems that so far in the inquiry we haven't heard too many people dispute that set of eligibility criteria when we're talking about either paid or unpaid leave. Now, there is an acknowledgment that some miss out, which need to be dealt with or supported. But I was wondering why we would abandon any notion of eligibility criteria for leave related payments.

MR HITCHCOCK: I think my response to that is to say again that I don't believe that eligibility tests which are built around hours of work will adequately cover a percentage of the working population in the future, and also this question about employees, whether they are employees or not. I can see - - -

MR FITZGERALD: Sure.

MR HITCHCOCK: - - - unfortunately employers making the call that in order to avoid certain sorts of pictures that they will go down that path, and they are already making that call. That's just the trend that I see. That drives me to say look, let's be realistic about this. Let's not condone an old-fashioned way of looking at work which always excluded unpaid domestic labour. Let's be direct about it. Now, I recognise that's a massive jump, but I do think that in the thinking we have to look to the future.

MR FITZGERALD: Yes, I'm not - - -

MR HITCHCOCK: We talk about the distortions that may be brought about by a paid maternity leave picture. I'm not sure that the distortions will not be worse if that group is in the future ignored.

MS MacRAE: It is interesting. I mean, I hadn't really thought about it in those terms before directly. But, you know, our Tax Act is already struggling to make the distinction because who's an employee and who's not, and that's an area that I'm very familiar with and I know the problems that trying to make a definition that fits for tax purposes, who we want to treat as an employee and where income should be personal services income. Obviously hours is not something that the Tax Office has used because it's not a meaningful thing. Yet in this case we are using hours. I can see in the sorts of issues that you've raised in your opening statement there that, yes, in many cases that line is becoming increasingly blurred and relying on hours is becoming more and more problematic because you're on call 24-7; how do you count those hours and all that sort of stuff. So anyway, it's a very interesting thought, so thank you.

MR HITCHCOCK: I'll just move on quickly to the other ones I was going to touch on, perhaps.

MR FITZGERALD: Please.

MR HITCHCOCK: The method of calculation of maternity pay, as you'd be well aware, there are a number of systems overseas; a number of jurisdictions that have got a percentage of the averaged wage of the employee as the basis on which the maternity pay is modelled. In many ways I think that's a sensible approach. Sometimes it's full dollar which is good, through various methods of topping up.

What concerns me in this picture is that any percentage approach in the Australian context I think would run into the problem of how you calculate - well, you would have to introduce a system where the employees were making a small

percentage contribution themselves, I think, just for the question of fairness; or you would have to get some sort of picture like that because otherwise you're going to get into a situation where the government is seen to be paying more money for maternity leave to some than to others on the basis of what they earn. I would be very cautious about that. You do need to have the employee putting money into it I think to get around that as a public debate.

I mean, you see some of the curve balls that get thrown in the context of the baby bonus stuff in that context. You know, Tony Abbott yesterday I think or the other day was saying something about not wanting to see two classes of kids in Australia with the means testing of the baby bonus. I just think that in the context of the government funding of maternity leave pay, the extent to which the government is funding the maternity leave, it should reward all mothers equally and thereby avoid that question. Beyond those rewards, I think, is a matter for the employer and I get the impression that's where the unions are going with their position on this.

MS MacRAE: So would your preference be then not to have it at least not mandatorily linked to the previous earnings?

MR HITCHCOCK: Yes.

MS MacRAE: Yes. Okay.

MR HITCHCOCK: In terms of the extent of the government's funding.

MS MacRAE: Yes, for the government's funding.

MR HITCHCOCK: Yes. I just think it's a very awkward one. As to the rate, I do think that - and I've put this in somewhat wickedly, but I do think that there has to be a realistic assessment of how you go about calculating that rate. I note that everybody seems to be talking about the minimum rate. I don't know where they have got really that notion from. The minimum rate was born out of the Metal Workers Award, to be honest. The Metal Workers Award, the minimum in that context was a couple of notches below the trade rate.

Now, I personally think that you wouldn't want to. If you wanted to make some sort of bizarre parallel with rates of pay and awards and particularly minimum rates awards, then going for the lowest unskilled level in the picture and saying, "Well, that's what we should pay mums," new mums or older mums or whatever, it seems to me just on that basis to be quite a weird perspective. I would certainly be arguing, if I was a mum, that the level of supervision involved at home, the level of responsibility involved, the skills which would be acquired over time, quite apart from the whole birthing process, would justify a higher rate than the base minimum.

I make this observation simply because I haven't see a real justification as to why people are opting for the minimum in that picture. I can't see it.

In terms of the period, I want to put the other hat on and talk more from the employer's perspective, because it has been my observation. The Northern Territory, where I worked for nearly 15 years, doesn't have many large employers. It has one large employer and that's the public service. It has a lot of small employers, however. Maternity leave happens everywhere in the Northern Territory, as it does everywhere else, but a common rules system of awards which kept things cooking. It was actually a very good system for maintaining a minimum base of entitlements and conditions and fair play amongst employers. It was often other employers within that industry or under that award that would keep the unions informed about any miscarriage of legal picture because they didn't want to be undercut.

But in this context, I would be saying that I think that in a tight labour market in particular, the cost and difficulty for small businesses of finding temporary replacements can be very, very hard. I do think that larger employers have a bit and a quite obvious advantage in this. They will promote from below in their ranks. Smaller businesses often don't have that option. Larger businesses can do it for 12 months and get targeting training as a result and do very well out of it; lift the skill level altogether. But small businesses don't have that luxury.

I do think that if the commission does make recommendations in relation to that particular issue in terms of the period, I would say that the longer the period of leave the better for the small businesses, in a bizarre way. Their outlay has then more time to mature and it's got more time to be earned, you know, basically recovered. It's a curious thing, but I think that's the case. That actually fits in with both, you know, the mum's perspective, I think, obviously.

MS MacRAE: We have heard that a bit already, in fact from the employee's perspective as well, that they feel that the job is not just left and there's no-one else to do the job and then when they get back, "Oh, and you've got to do this 12 weeks as well" thing.

MR HITCHCOCK: Yes. There's a cut-off point, in my experience. Between four and eight weeks is where it starts to rub. So most small businesses can cover a four-week annual leave picture by just not replacing the person. They can somehow find a way around it. You know, the business goes down a little bit, or whatever. But between four and eight weeks it starts to get awkward. After eight weeks, everybody is tearing their hair out. With a maternity leave process, I think if you could get six months paid and six months unpaid, cool. I think that's sort of the rub in that picture.

Small businesses by and large are much closer to their employees and as a consequence they understand maternity leave perfectly well. It's just that often they themselves don't have access to it and they find it pretty hard going when it happens to them. The only other comment I was going to make - well, two others: one is the source of payment. I do think the New Zealand model is the simplest in terms of where you get the dough from; you just pull it out of consolidated revenue and pay it that way. It takes away a lot of the debate. It might sound cynical, but I do think that's the simplest - not even have it as an identified component in the picture.

MS MacRAE: Yes.

MR HITCHCOCK: The other issue I would mention, and it's really for your assistance rather than the bigger picture, is in terms of the indigenous issues, I did work for a very long time as the secretary of the union which had most of the indigenous employees that were working in the Northern Territory. It was what we used to call the Family Union. We covered all of the Miscellaneous Workers Union or North Australian Workers Union as it was then, covering all of the lower echelons of businesses in the public sector. We did a lot of work in that area. One thing we did do, in terms of - if the commission does move down the path of parental leave provisions in the context of grandparents et cetera, it may be worthwhile referring to the Ceremonial Leave clause of the Tjungundjira Award before it was stripped. I don't know that that clause would have survived the stripping because as I say, it was a ceremonial leave.

That had a relatively comprehensive diagrammatic description of Aboriginal family relations in Central Australia for the purposes of taking ceremonial leave. It may be of no use whatsoever, but it was an attempt to capture a cultural phenomenon which it was the firm belief of the union and of the organisations that it applied to needed to be captured and recognised. That's about it.

MR FITZGERALD: Okay. Thank you very much for that. Can I just go right back to the beginning, I suppose the notion of a right.

MR HITCHCOCK: Yes.

MR FITZGERALD: Right and universality. We now acknowledge in Australia that there is a right to unpaid leave - well, we've created a statutory entitlement, if you want to use that expression, rather than a right to that. You're suggesting that there should be a statutory right to paid maternity leave as a matter of right. But it seems to me you're going beyond that by saying there's actually a right to government support for child rearing. If I understand you correctly, you're talking about a universal application that's not related to work, and so what is the actual right that we're talking about here? It seems to me your right is much broader than the

right to leave. If it was right to leave, then in fact we'd have a parental leave allowance and we'd have something else. But can you just explore to me the nature of the right that you're referring to?

MR HITCHCOCK: I think what I'm saying here is that I do become concerned when I see a discussion about eligibility for paid leave falling on the hurdle, if you like, of an earned entitlement derived from the number of weeks, months, hours of labour that a person has put it.

MR FITZGERALD: Yes.

MR HITCHCOCK: So in that context I'm saying, don't separate that out. If you do make it tenuous - I've read too much legislation I guess over the years where those barriers are put in, even to ostensible rights, you know, so that there's eligibility clauses to the picture.

MR FITZGERALD: Sure. But given that Australia now has accepted a payment, the baby bonus, as of last night, for the vast majority of the Australian community, if not all, there's now no question that we would support through the government families that have children. I mean, we do that in a number of other ways as well, but in a more overt way we've got this baby bonus. So in a sense, Australia has acknowledged that there is a right or an entitlement not based on work to the support of parents who have newborn children. In a sense that right is taken care of, maybe.

MR HITCHCOCK: Are you answering my question?

MR FITZGERALD: No, I'm putting a proposition. People would then say to us, but there's a second set of considerations which go beyond that. It goes to the fact that women particularly - particularly women in the workforce can be significantly disadvantaged upon the birth of a child, both in terms of the reduction of income, a discontinuance in their career development and so on; work-related issues which are over and above, you know, the importance and the cost, both of which are true of the child. So some are saying "But these are different." Once you do that, if you acknowledge that, then you say, "Well, there are issues about workforce attachment or workplace attachment that are important."

So I was just wondering whether you could explore that because I think if we were having this conversation 10 years ago, we would not have had effectively universal entitlement which the baby bonus has now introduced, and which the Rudd government has, as I said, for most people continued. So I was just wondering whether you could help me out with those sorts of two issues.

MR HITCHCOCK: Well, I could explore it down the path that you're already sort

of used the machete to hack half the way along and say perhaps the baby bonus calculation needs to be expanded in the context of the picture. In terms of the payment, that's where the payment runs. In terms of the leave provisions and the security of employment issues, return-to-work issue et cetera, those provisions should be examined in the context of the existing provisions that are now statutory entitlement, look at them, look at whether they're working et cetera, look at the baby bonus as a provision which provides for paid employment for the period of time that people are actually looking after their children and make an assessment accordingly.

I was looking at the maths on that because I do think the baby bonus does throw up exactly what you're saying, an interesting perspective on this. It's a \$5000 picture. You'll have done the sums probably better than me but it's, what, two to three times that figure when you're starting to talk in terms of a weekly rate of five to six hundred dollars a week. You're starting to talk about 15,000 a year in terms of the paid entitlement, so then it's a question of for how long. If it's for half that period it's, you know - you're not talking about a lot of difference in there.

I'm not sure that the government will want to be seen to be playing too fast and loose with the differential in that picture. They may want to maintain the distinction between the baby bonus and the leave, but that's their political problem. Logically, thinking it through, I could see some rationale, consistency in applying the baby bonus as the basis of the - - -

MR FITZGERALD: See, if we were to just simply have a universal payment that applies to everybody at the same rate irrespective of workforce attachment at all, effectively it's a Social Security payment and that in itself is not a terrible thing, although some people tend to think it is. But in fact we make absolutely no allowance at all for the workforce issues. They've disappeared. Yet this debate has really resurfaced not because of the cost of children which we deal with in different ways, but because of the workforce issues.

So the more we go through this process, the more it strikes me that those that are simply saying, "Let's have a universal payment of exactly the same rate with no eligibility criteria at all effectively," have discounted any of the arguments that deal with workforce attachment issues. Now, that may not be right, but it strikes me that that seems to be an issue that's emerging that we just want to explore. So it's one of those issues that the more we go through this inquiry the more occupies my mind.

MR HITCHCOCK: So it should, I think, because as you say, if we were looking at it from five years ago, from the point of view of a female worker in a small business earning the minimum rate, six months off work to have a baby - probably even a bit less than that because they weren't getting any money coming in, but you know, they might decide six months - they would be falling on to the Social Security

system very quickly for support. In the Territory, with over 50 per cent de facto relationships to start with and a very high single mothers perspective, it very much comes down to that. The payments of - and no baby bonus. A payment of, you know, even the minimum wage would have looked very attractive five years ago. Now with the baby bonus I think that gets a little bit more fuzzy.

MR FITZGERALD: Sure.

MR HITCHCOCK: Where it fits I think is an issue.

MR FITZGERALD: Yes, well, it is. Can I just go to the rate of maternity pay.

MR HITCHCOCK: Yes.

MR FITZGERALD: I don't have great knowledge of these rates so you might be able to help me out. You talk about at C10 or the trade rate.

MR HITCHCOCK: Yes.

MR FITZGERALD: I acknowledge I don't understand what the C10 is.

MR HITCHCOCK: The C10 is simply the trade rate.

MR FITZGERALD: Okay.

MR HITCHCOCK: But trade, because it goes across a large number of awards, is a more understood thing. The C10 is specifically in the metals industry. That's how it's understood there.

MR FITZGERALD: One of the things we'll obviously be looking at is the number of female workers that are on the minimum wage. I must admit I don't know what percentage of the population is on the minimum wage. I would have thought in a sense people have chosen minimum wage, it may be one out of pragmatism; the second, it may be that it's a set and determined rate. In other words, it's a standard rate. The third that seems a reason is that a great deal of the concern in this inquiry has been for lower paid workers, many of whom are at or are very close to the minimum wage rate. But can you just explain to me why you think the trade rate is a better minimum payment if the government were to provide that as the - - -

MR HITCHCOCK: Okay. I can throw a couple of reasons at you in that context.

MR FITZGERALD: Yes, please.

MR HITCHCOCK: If you choose to not go down the path of making a work value assessment of the mothers' efforts in this regard, there's a couple of other ways of looking at it. One is that the trade rate is two levels above the minimum rate. It's effectively - if the minimum rate is around, say, 500 a week, it's about 600. That's what you're looking at. It's calculated in the context of a 38-hour week, I think. The figure for a trade rate is still nevertheless a minimum rate.

If you go along the minimum rate path as it exists at the moment and as people have been arguing, you're going to find that many, many employees are getting a bit more than the minimum. That's even the case in the supermarkets. That's even the case in - I'm thinking of high-density female employee areas. They've got enterprise agreements, or the labour market is so tight that they're being paid a couple of bucks probably an hour above the minimum rates. That means - and you can't really capture that in your sort of thing. You couldn't really say minimum rate plus \$2 because everybody would go, "Oh."

MR FITZGERALD: Sure.

MR HITCHCOCK: That's a real distortion. Better, I think, to go for a rate slightly higher - and I'm trying to hang some things off it to give you some reasons to say that.

MR FITZGERALD: Yes.

MR HITCHCOCK: Because the danger in this is, if you really do want to make it - to provide a fair level of return for women in this picture, if you just pay the minimum rate they're going to come off worse. For some of them it could be as much as three, four dollars an hour worse which mounts up. You're actually looking realistically at 100, 150 bucks a week off their current earnings. I'm not sure really what you're aiming for.

MR FITZGERALD: But I suppose another question is - and then I'll ask Angela for questions - assuming for one moment that the government did not mandate a top-up by employers, already a fair percentage of working mothers are covered by some form of maternity leave somewhere in the order of, you know, 45 per cent give or take. We've started to see in recent weeks, you know, a couple of the retail groups introduce various forms of maternity leave. I wonder what your view would be, that if the government were to introduce a paid scheme to a minimum level, that within a reasonable period of time we would see a much greater voluntary top-up anyway, that in a sense that whilst the government might only provide for, say, up to the minimum wage level all the indications seem to be that many employers are moving to some sort of voluntary or negotiated arrangements and that trend is likely to continue. Would that be your assessment or do you think that if the government

introduces a minimum rate in fact it could have the reverse effect, that in fact the employer saying, "Well, you know, that's a base line and we don't need to do any more." I was wondering what sort of - your crystal-balling, what might happen.

MR HITCHCOCK: My crystal-balling on this is that you've got, regardless of the economic conditions that you're talking about, the strengths of the labour market - - -

MR FITZGERALD: Yes.

MR HITCHCOCK: - - - you're going to get two types of employers in this picture. You're going to get some - and within specific industries as well - who will be looking at their bottom lines and who will be looking at where they can get slight cost advantages over their competitors in this picture. Those ones will look at this one and go, "Oh, well, there's the minimum; there's Joe Blow down the street who's going to pay more. Cool, but it's maternity leave. We won't worry about that one because it's not a big call for us and we'll save a few bucks in this picture so we'll keep it at the minimum." I think there's a certain mentality that would go down that path. I think in other industries it would be much more labour market competitive - - -

MR FITZGERALD: Sure.

MR HITCHCOCK: We've got to pull them in and we've got to provide those provisions. I would be hopeful of the latter in some industries, and in other industries I wouldn't be so sure. There will be sector by sector variations I think, and within sector variation, and even within state jurisdiction variation.

MR FITZGERALD: I'll come back to something just there. Angela?

MS MacRAE: Just the comments about the issues for employers. I guess if I could just be clear about it. To the extent you've advocated a specific sort of model, you did mention towards the end there maybe six months paid, six months unpaid.

MR HITCHCOCK: Yes.

MS MacRAE: Would that be, from your point of view, sort of the best thing we could do by small business to make it long enough to give them a period out?

MR HITCHCOCK: Yes.

MS MacRAE: Is there anything else that you think that we might be able to do in that area for the smaller end that might suffer a problem there?

MR HITCHCOCK: I do, yes. I have noticed overseas - this was bizarrely raised with me in Birmingham a couple of years ago. When they abolished the old Commonwealth Employment Service here and basically privatised the system to a large degree, they were to some extent following the British model. When the English moved to their current maternity leave thing, they had this gap in their support levels for small business. It was becoming quite - when you create a new provision, you create a new sort of area of demand and you create a new sort of little labour market group grouping. In this context it was temporary employees that were needed who were prepared to work for six to 12 months and do the job at all sorts of levels.

There was no real sort of centre or network established to capture that. It would be sensible to have that centre or network captured. It would be sensible to make it free for small business to advertise within in. I don't know to the extent that it would be captured already, but I suspect it wouldn't be targeted very well at the moment. There may be other things you might want to think about in that context, just to reduce the costs for small business, to try and build up a pool - - -

MS MacRAE: Determine placement.

MR HITCHCOCK: - - - and try and make that whole thing easier. It's already a problem. It's not as if that doesn't already exist. I think it will just be further accentuated in the context of paid maternity leave.

MS MacRAE: Just in relation to where you talk about the rate of maternity pay, could I just go right back and say that in terms of sort of how you see the objectives of a scheme, however so defined, you've talked a little bit about are we providing sufficient acknowledgment of unpaid work. So is that part of it, or is it - it goes back a little bit to Robert's question about is it also about workplace attachment and do those things matter. What are you looking for in terms of what you want the scheme to deliver and, to the extent that we got a scheme up and running, what sort of outcomes would you be looking for to say that was a success?

MR HITCHCOCK: I tossed that around in terms of how I would address it to you. I have difficulty in getting my head around what the objectives might be in this picture, I've got to be honest. I think you've tried to cover the field in terms of your objectives. I think that's very difficult to do in terms of actual outcomes at the end. I think realistically that in working towards the scheme that you finish up with, my focus will always go back to the workplace or rather to the work. That's why I finished up talking about women in the context of work, because I think that's - - -

MS MacRAE: As in, you mean paid and unpaid?

MR HITCHCOCK: Yes.

MS MacRAE: Yes.

MR HITCHCOCK: Because I think that's where it does come to. Particularly I am concerned about those trends I was mentioning, that it is becoming more and more - I mean, my partner and I for example are now returned from overseas. We're living 70 kilometres from town and we will not see an office except when we have to come in to talk to people.

MR FITZGERALD: Sure.

MR HITCHCOCK: We are not alone in that picture out there. Hours are meaningless, they really are. It's a question of getting the product done, getting the report done, getting whatever it is done, shipping it off and how we go about justifying the charges is another issue again.

MR FITZGERALD: Okay. You mentioned about awards. There's been strong opposition from employer groups to having the new National Employment Standards which are being negotiated with the government including paid maternity leave or parental leave in there. More broadly there seems to be some real hostility to have them included in awards generally, even negotiated awards. But you've mentioned that awards might be an appropriate place where this could be reflected. I just wondered whether you have a view on that.

MR HITCHCOCK: Yes.

MR FITZGERALD: I mean, employer groups seem to be saying by and large, "We're prepared to have a paid maternity leave arrangement provided the government funds it but that's it and everything else should be open to collective bargaining arrangements, but not awards and not National Employment Standards."

MR HITCHCOCK: In the area of leave, if you look at the picture nationally and state by state, all state jurisdictions including territories have legislation in relation to annual leave provisions. Historically that's how these things have been made uniform across the picture because frankly the awards don't have the penetration or coverage in many jurisdictions in Australia that is sometimes made out to be the case. Common rule, for example, as an approach is only applicable in one or two jurisdictions that I'm aware of, where it's basically an automatic system. In other jurisdictions you have to go through an application and an approval process in some awards before you can bring companies under the cover.

I think maternity leave, in particular paid maternity leave, is another one of

those ones that needs to go under the cover of the mantle of the legislation itself, however that finds final expression. I do personally believe that both the federal Labor government and the union movement generally are a little bit behind on the rights issues in terms of where the Europeans are in the incorporation of human rights into their labour market regulation and control mechanisms. I don't think they quite understand the importance of black letter law in that context. So I think that's where it is. My preference would be along that path.

MR FITZGERALD: Okay.

MR HITCHCOCK: You've got a greater capacity in the awards to tailor, and you might want to have some out there in terms of tailoring as the Europeans do through their regulatory approach. Every country puts their hand up for some marginal variations on the fringes of every set of regulations that comes through. It works quite well in a way, you know. They want to preserve jams without sugar in some part of France, it's in there that they can if they want to. But of course it opens the door for jams without sugar all over Europe in terms of an approach.

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

MS MacRAE: Thank you.

MR FITZGERALD: That's very good. We might just have a five-minute break and then we'll recommence. Thanks.

MR FITZGERALD: If you could give your full name and the organisation that you represent, and whatever comments you'd like to make and then we'll have a bit of a chat about those comments.

MS STRAUSS (AFUW): My full name is Jennifer Strauss and I represent an organisation called the Australian Federation of University Women which is a federation which has associations in all the states and territories and is affiliated to the International Federation of University Women. Obviously I think because it is an association of graduate women and up to this date university graduate women, you've got a collection of highly educated and fairly opinionated women involved. But many increasingly, I think, graduates now expect to have a career.

I think the days when you perhaps got your degree and you married a dean or a professor and were happy with that kind of life in which you were involved peripherally in professional life just doesn't apply any more. I think that's a matter of personal drive, ambition, and of course I can understand why some people really feel that women asking for that at that level is a kind of almost insult to the women who really are driven by economic necessity. Yet it seems to me both of those elements are important. They're important for the family structure and for the health of the baby. You don't, I think, get healthy babies from discontented mothers. If I am allowed to draw on my personal history - - -

MR FITZGERALD: Sure.

MS STRAUSS (AFUW): - - - when my first baby was born at the end of an academic year - since all my children were very clever and arrived in December and November allowing them to be breastfed through the long vacation - in fact I had really thought that there would be nothing I would want to do except stay home and play with this beautiful baby. After six months my husband actually came home and said, "I think your disposition is being spoiled. Would you like to go back to work?" to which the answer was a very enthusiastic yes.

It wasn't that I didn't love my baby at all. I mean, women have different ways of bonding with their children. I would say that all my three sons now have children of their own, so their mothering can't have been too terrible. But I think both those reasons are really very important, that women have a sense of an identity in the public sphere, but also that women do not feel that having a baby is going to plunge them into poverty because that is the first thing that needs to be stopped, and yet ironically what we have stopped is the other sector; in other words, the women who are getting paid maternity leave now for the most part are the women in the public service, in universities, in things like the ABC. Most of those women in fact tend to have maternity leave unless in the universities they are unfortunate enough to be casuals.

The situation of casuals is one of the things that has certainly influenced AFUW to feel that there must be a universal scheme in which casual staff who have been in the workforce sometimes for years and worked for several employers are not in fact often covered for maternity leave. That's one reason why in our submission we stress that there should not be a restriction to saying that you worked for 12 months for a single employer. It should be your total period of employment in the paid workforce regardless of who the employer is that should be eligible for consideration.

So that sense of casuals, the number of women and particularly in the lower paid work, such as the service industry, who are not covered and for whom maternity leave payment would make a very big difference to the idea that it was important for them to have children - because I think I would like to stress the sense that having children is production for the nation. The country needs children. Businesses actually need customers. If women find it too difficult to have children, the birthrate is going to fall and you are going to find that you've got various problems which we're looking at now with the ageing of the population.

I think that our feeling is it must be a universal system; in other words, all women must be covered. It's not just that you can't afford to waste the amount of training and skilling that has gone into producing professional women, it's a matter of equity for women who may not be so highly skilled but are still performing useful work, that they should also not, as I say, be reduced to poverty by motherhood.

I think also really it's time to give up the idea that a woman marries and has children and will have a man to support her. There are many women who are still in that very fortunate position and certainly if a woman is going back to work with children she will need a supportive husband, not necessarily financially but in every other way. But many women do not in fact finish up with a male supporter. The divorce rate as we know is high. The marriage rate is still not infallible. Again, if I could draw just on my own experience, my husband died very suddenly at the age of 48 of a massive coronary. My children were 18, 14 and 10. Had I not been employed, the entire financial situation of this family would have been very different from what it's been since.

So I think really society has changed in a way that women need to be able to in a sense be confident that if they make that choice they can shape their own financial career and financial resources. We know already that elderly women are a major problem, with superannuation and poverty, because these are still coming through from a generation in which basically you had children and you stopped work. Then if you were left in the unfortunate situation of having to support yourself, you were unlikely in fact to find highly paid work. Even if you've been a professional before,

to go back - I have to say, one of my extreme dislikes is the sort of bland statement of, "Take the time off, raise your children for 10, 12 years and then imagine that you can go back into a profession."

MS MacRAE: Just pop back in.

MS STRAUSS (AFUW): Because you simply cannot. In fact, in this day and age, the competitiveness in professions is such, and the credentialism in professions is such, that you may be disadvantaged by taking one year out. There was the case in the supplementary submission that I sent in of postdoctoral fellows who are in this odd position that they can take three months' paid maternity leave; they can actually extend that for a year on unpaid leave. But then when they come back into the workforce and they apply for a grant, their productivity in intellectual terms, in research terms, is measured against men or indeed against single women who have had the full five years of the grant to produce their research; whereas effectively they've had four working years, obviously they don't look as good on paper. I think I've probably rattled on enough. It might be easier if you ask me some questions.

MR FITZGERALD: Sure. Thanks very much, and you've given us a couple of pages so we'll ask some questions based on that. Maybe Angela might like to start.

MS MacRAE: Can I just be perfectly clear: most people when they come to us and talk about a universal payment are talking about making it available to women outside the paid workforce and inside - no.

MS STRAUSS (AFUW): No.

MS MacRAE: Yes. I wondered - yes. You were talking about those that have attachment to work - - -

MS STRAUSS (AFUW): Our submission is entirely about women in the paid workforce. Now, this is not saying that women who are not in the paid workforce ought not to get child support, which I think needs really a different system. I mean, our argument is that these are women who have been in the workforce who intend to return to the workforce. Personally, I am prepared to be quite tough-minded enough to say that it's almost like an insurance policy that you will be able to return to work. But if you take paid maternity leave and do not return to work without a good reason - for instance, if you have a severely disabled child or some other reason - my opinion is you should return the payment.

MS MacRAE: Right. Okay.

MR FITZGERALD: On what basis and why?

MS STRAUSS (AFUW): On the basis that you have effectively taken the payment as guarantee that you will be able to return to work and that you intend to return to work, and that that is your contribution to the workforce and the economy. I really have said that's a personal opinion. I have not canvassed that with my colleagues in my organisation.

MR FITZGERALD: Sure.

MS STRAUSS (AFUW): But I do know that there were at least a couple of instances at Monash University where women did take this line because they felt that they had accepted this money on the understanding that they would come back, having had the child, in one case on the grounds simply that she didn't want to come back to work any more. So therefore she had made a choice and felt that she hadn't understood that she would not want to come back to work, but she no longer wanted to come back to work. Her view was that she had therefore not taken the money under false pretences essentially, but that it was proper for her to pay it back because it was a payment against her return.

MS MacRAE: So she did that voluntarily?

MS STRAUSS (AFUW): Mm.

MS MacRAE: Wow. Okay.

MS STRAUSS (AFUW): Yes, she offered. I doubt very much if - - -

MS MacRAE: That wouldn't happen very often.

MS STRAUSS (AFUW): - - - the university ever pursues anybody who has taken it.

MS MacRAE: Okay.

MS STRAUSS (AFUW): But I think sometimes people speak as if this is some kind of holiday pay for women. They're going to have a nice three months' pay and then they're going to say, "Oh, I don't really feel like going back to work." That is not what it's about. So while I believe there should be universal support for women with children, I don't believe that paid maternity leave should be seen as universal in the sense of applying in the same way in the workforce and to women who are not in the workforce.

MS MacRAE: I guess from what you've just said that's primarily because you see

value in that workplace - maybe not workplace; workforce attachment and the importance of getting women back into work.

MS STRAUSS (AFUW): I think so.

MS MacRAE: Okay.

MS STRAUSS (AFUW): I mean, this is a very - - -

MS MacRAE: Just from what you described, actually, you were talking about workplace return. If, for example, the lady that had taken that payment from Monash or whichever uni, if she had decided she wanted to go back but she really thought now she had a child she wanted to do a different kind of work and decided to work elsewhere, how would you see that working? That's one of the issues as well for us, about - - -

MS STRAUSS (AFUW): Right. Well, this would not be an issue if the payment were being made by the government.

MS MacRAE: No. Okay.

MS STRAUSS (AFUW): It would be an issue. Our position is that the only way you can really have a system is in the way that most countries - with the exception of Australia and America, most countries do have systems of maternity leave. They're nearly all, I think, at least with a strong component of government payment, although there is also often - it's very complex. Different countries have very different systems.

MS MacRAE: Yes.

MS STRAUSS (AFUW): But it is a government system, then it is a return to the workforce rather than necessarily the workplace.

MS MacRAE: Yes.

MS STRAUSS (AFUW): It could be that this woman decided, for instance, that the only way she could cope would be to shift to part-time work. In that case, the actual employer might not be able to provide part-time work.

MS MacRAE: Yes.

MS STRAUSS (AFUW): Again, she shouldn't be penalised if she couldn't find part-time work. I mean, I'm not suggesting a draconian repayment system.

MS MacRAE: Yes.

MS STRAUSS (AFUW): But I think one of the problems clearly is equity of payment if you go into an employer system. The capacity to pay for small business is clearly very limited as against a large organisation, but also the capacity to pay for an organisation where the workforce is primarily female is not the same as the capacity - or the burden of payment is not the same if the workplace is primarily male.

MS MacRAE: Yes.

MS STRAUSS (AFUW): I mean, our view is that having children is a public good and a contribution to the public productive economy and therefore it is reasonable to expect that at least to some extent it should come out of the public purse. I think in our submission we did not, but in the dot points that I have given you - because the issue has been raised I think by several other organisations - we would not be opposed to the idea of a certain amount of levying on individual - almost as if it were treated something like superannuation.

Also I think something that I didn't address in the submission, and I think I have not done so in the dot points either, is it would be very important that such a scheme could cover self-employed women. Now, steps have been made to do this because self-employed women now are able to contribute to superannuation. In that sense, also since obviously self-employed women have to demonstrate that they are contributing to productivity in the taxation returns, it should not be unreasonably difficult to include self-employed women; women working from home. It's particularly those who are self-employed, because even those who are working from home with an employer are identified as being employed by that person, that organisation.

MR FITZGERALD: Can I just ask a related question, but it's got to do with the rate then. In your dot points you say that you have a preference for an income replacement. Now, there's no country in the world where the government does that; at best they provide up to a certain level and either compulsorily or otherwise employers or social insurance pays the top-up. I was just wondering how important you believe income replacement is, and again if - taking your line about a government contribution, are you actually suggesting that it should be to an income replacement level or should that be achieved by other means, and if so what means will they be?

MS STRAUSS (AFUW): This of course is one of the really difficult issues.

MR FITZGERALD: Sure. That's why I'm pleased to ask you.

MS STRAUSS (AFUW): I know. Very well. AFUW is affiliated with an organisation called WomenSpeak which is one of the four secretariats funded by the Office for Women.

MR FITZGERALD: Yes.

MS STRAUSS (AFUW): The issue of maternity leave was debated at great length and there was an undertaking that we would toe a common line. I think it was understood that arguing for income replacement was probably a long shot. The thing that would worry me - well, there are two things. It would be quite dreadful, in my view, if a minimum payment was introduced by the government and women who were already receiving paid maternity leave were to lose money because their employer would say, "Well, that's it. You've got that money from the government."

MR FITZGERALD: But do you think that's likely? I mean, take the university sector. The university sector has some of the most generous schemes.

MS STRAUSS (AFUW): Yes.

MR FITZGERALD: In fact, considerably more substantial than even the public service. That sector clearly has done that for a number of reasons, but one of which is it's to obviously attract and retain particularly women in that sector.

MS STRAUSS (AFUW): Yes.

MR FITZGERALD: Do you think it is likely that employers would in fact reduce pre-existing agreed arrangements to a minimum, given the labour shortages we're about to experience?

MS STRAUSS (AFUW): No.

MR FITZGERALD: Now, of course it's possible that some might, but is that a likely scenario?

MS STRAUSS (AFUW): I don't think it is, to be honest. I mean, I in fact convened the staff association of Monash University paid maternity leave negotiations. It was clear that the university was interested in retaining its highly skilled staff members. I suppose there is something known as economic reality and what the government can afford.

MR FITZGERALD: Sure.

MS STRAUSS (AFUW): I do realise that. I think there is particularly a feeling that further down the income scale women should not be having to beg their employer to top up an excessively small - I think in the submission I say that whatever the actual level of payment, it must be enough to ensure that it is a real choice to have a child. I think that asking for full income replacement from the government, which is in the submission, is an area that I think probably we modified slightly in allowing for the possibility of putting in a levy payment; some kind of payment in advance. The income level is really something that needs to be investigated.

MR FITZGERALD: Sure. Let me just ask a related question.

MS STRAUSS (AFUW): You'll notice I'm nervously edging away from one as I grow older - - -

MR FITZGERALD: We will be meeting with the four women secretariats, in fact - - -

MS STRAUSS (AFUW): Yes.

MR FITZGERALD: - - - when they have their national conference. But let's assume governments are not prepared to pay full income replacement. Do you think it is reasonable - and again you may not have a position on this - that there should be a mandatory or compulsory top-up required of employers? The question here is, some employer groups have obviously opposed that and have indicated that such a mandatory requirement would in fact disadvantage women.

MS STRAUSS (AFUW): I've heard that argument.

MR FITZGERALD: I was just wondering your view on that.

MS STRAUSS (AFUW): I would be opposed to that because I think it's very important that maternity leave be accepted by the community as something that is valuable to the community. On its introduction to slap on a mandatory requirement for employers to do something is probably bad politics, even if it's not good economy. I'm not a mad fan of deregulation, but I think a mandatory top-up - for instance, if it was to be applied to some small businesses or to an organisation which is not very large but might conceivably - if they suddenly employ a number of women, they might suddenly have two or even three women taking maternity leave at the same time; they've got to be topping up that amount and possibly also paying a salary to replacement staff, it would begin to be regarded with a good deal of hostility, in my view.

The argument that you won't employ women because they might have babies is advanced quite often. I cannot say that in universities it seems to have had much effect. It may be that they don't employ enough women and don't support women enough by promotion. There is no doubt in my view that maternity will probably interfere with promotion. I have a fairly realistic view about that. I mean, having children has been a great pleasure to me and it is a source of enrichment in my life. I sometimes say jokingly I could have been a vice-chancellor if I'd had no children; I don't know that anybody should want to be a vice-chancellor in this day and age. But if I say that, it is entirely a kind of abstract thing. There is absolutely no resentment.

MR FITZGERALD: Sure.

MS STRAUSS (AFUW): I think that while there are exceptional women who have achieved extraordinary careers while in fact having children, especially if you have more than one child, something will have to give somewhere along the line if you're going to be a human being. I think it's important that women are able to feel that they can have children, that they can continue their career and advance to a reasonable level in it. That way you are going to get a much more psychologically well-adjusted workforce than otherwise.

MS MacRAE: Just to return to that income replacement issue again. What was the key driver for that, do you think? I appreciate that you're saying that, you know, in realistic terms you're conceding the chances of that, particularly if it was government funded, would be lower. But what's the rationale, if you like, for doing that? If we're looking at I guess maternal wellbeing, do they need the income replacement to do that, or is it a sort of a recognition thing so that they keep their status while they're out of the workforce or what?

MS STRAUSS (AFUW): I think it's recognition. I think it's probably fundamentally about recognition and the sense that you shouldn't pay a price.

MS MacRAE: Right. To take the contrary view, the previous speaker we just had in was saying if you were to look for an income replacement and you were paying people according to their previous work, are you saying that the work that a mother might do at home with their child is somehow valued differently? So is the work that they're doing outside the paid workforce different - - -

MS STRAUSS (AFUW): Yes.

MS MacRAE: - - - and is the work that they're doing with their children different? So I guess that's the totally sort of polar opposite view that says that if you're outside

the workforce caring for children, should we be valuing that equally and so we should be looking more at a flat rate rather than a percentage of previous - why are we relating it to previous earnings in the workforce, is the sort of key question. I'm not saying that either view is more legitimate than the other.

MS STRAUSS (AFUW): No.

MS MacRAE: I'm just interested in exploring it so that we can get both views on the table.

MS STRAUSS (AFUW): I think it's a feeling really of retaining - again, I have some problems with this because it does seem to me again you are - I have benefited. Well, no, I haven't benefited from maternity leave at all. I benefited from good luck and from good will in the sense that the particular professors of my department in a day when really professors had much more determination on working conditions than they do now simply basically said, "Oh, good, you've marked your exam papers" - either in hospital or in labour or however - "go away and don't come back until term begins again."

MS MacRAE: Right.

MS STRAUSS (AFUW): I might say, they also said, which nobody would say now, when I said fecklessly, "I don't think I'm going to finish this PhD, I would rather have another baby," they did not say, "Go away," they said, "Well, you're a very good teacher and you're publishing poetry and the publications can come afterwards." Now, no woman can do that now in the academy. Credentialism has meant that before you get to any degree of security in a profession, you are getting to a stage where the biological clock is beginning to tick quite fast, and where again there is probably much less chance of having more than one child.

I'm not saying that credentialism is all bad, and obviously you need qualifications. But I do think that the stringing out of the obtaining of qualifications and the stringing out of obtaining employment which is based on this has made life very hard for women in the professions. You cannot any longer, as I did, walk straight out of university with your first-class honours degree and into an appointment in a university which is a tenurable appointment.

MS MacRAE: One of the other arguments that one of the unions were putting to us - and they were arguing for an income replacement model with an employer contribution which we've discussed, but regardless of the funding of that was saying that if someone leaves the workforce for a period and they're forced to do without because there is no paid leave then they'll get used to that and the chances of them coming back are smaller. So the idea of income replacement is they all have a

mortgage to pay and whatever and as long as they retain that sort of income level, they're more minded to want to return to that. So the workforce attachment is stronger with an income replacement type model than it would be - which is in some ways kind of counter-intuitive in a way, in that, if I could put it bluntly, if you starve people they'll have to come back because they can't do without. But they were almost putting the contrary view that in fact they'll get used to that and so they'll stay out longer and you'll get a better return to work as a result of an income replacement type model. Would you have a view on that?

MS STRAUSS (AFUW): It sounds seductive.

MS MacRAE: Yes.

MS STRAUSS (AFUW): Yes, I mean, I think there's an element of truth in that. Part of the difficulty is, people's attachment to work varies a lot; people's attachment to their children vary. I consider myself to have been extraordinarily lucky to have had work for my whole life that I have loved doing, without the occasional grump, but basically it's been what I wanted to do, where for a woman I was well paid in the 60s and 50s. I am reluctant to see any woman lose anything for having children. On the other hand, there is a sense in which I feel that what is crucial now is that all women in the workforce get recognition of their contribution to the economy and that they do get paid maternity leave.

MS MacRAE: Yes.

MS STRAUSS (AFUW): So if I took the frame of mind of the current government and the current budget, the argument might be that some women might be prepared to have some reduction anyway, but I don't think that's a good outcome. But at least I feel it's crucial that women who really are in serious economic need of that support, and the children who are in need of that economic support, get it.

MS MacRAE: Yes.

MR FITZGERALD: Then can I raise this issue: I mean, last night the government announced that the baby bonus will be means tested - - -

MS STRAUSS (AFUW): Yes.

MR FITZGERALD: - - - together with some changes in other Social Security measures. There could be an argument that if the government were to fund a paid parental leave scheme, that in fact that should be income tested to some degree. But whilst you say it should be for all women, it may well be that when we look at the actual data, and that's what we're looking, that those that are reasonably well off are

already accessing leave.

The question might be by the community, why should the government contribute to the support of those women, where in fact the real need is for those on lower incomes. So nobody as yet has put that to us, but I could imagine the argument in the media and the community at large say that if you income test baby bonuses and other things, why would you not in some way income test or limit a payment to working women?

MS STRAUSS (AFUW): Because paid maternity leave is not a welfare benefit. It is a policy about work and attachment to the workforce. I am in fact totally opposed to the baby bonus anyway because, I mean, I actually find it quite insulting, the notion that you get a payment immediately for having a baby regardless of anything else or anything else you've done. I think it's not even a good welfare payment, and indeed is open to all these absurd attacks about people who go off and buy a plasma television and things like that.

MR FITZGERALD: Sure.

MS STRAUSS (AFUW): I think the baby bonus is a bad idea. I think it's probably very difficult to scrap it once it's been introduced. It's always difficult to take away something once you've given it, and I suppose that's part of what I'm arguing about income level support, but it looks as if perhaps you're having something taken away that you may very well feel was your entitlement. I suppose in a way it is that sense of entitlement that lies behind the income support argument. But I think that to argue from the baby bonus, which is bad policy anyway and is a welfare payment, to in any way to connect that through to paid maternity leave is bad reasoning.

MR FITZGERALD: Except to say that would be true other than for the fact the government in your proposal is funding it. The view of the community may well be that it should fund that area of greatest need. That may well be lower income women; now, it may not be. We haven't done the analysis of those yet.

MS STRAUSS (AFUW): It's funding as an investment in the employment of women. It is not funding it as a payment for having a baby.

MR FITZGERALD: Okay.

MS MacRAE: Okay.

MR FITZGERALD: I just wanted to draw that out because it will come up.

MS STRAUSS (AFUW): Thank you.

MR FITZGERALD: That's fine.

MS MacRAE: I guess the other thing we haven't spoken about at all was just what you would see as appropriate for fathers. Perhaps if I could just get you to elaborate a little bit on that.

MS STRAUSS (AFUW): Yes.

MS MacRAE: Obviously you said that that's a sorter longer term goal, but I'd be interested in your views about that and why you - - -

MS STRAUSS (AFUW): Well, I notice that, what is it, the CFMEU - one of the unions has a - - -

MS MacRAE: Yes.

MS STRAUSS (AFUW): I'm entirely pleased. I mean, I think that - I suppose what I wanted to get on paper first of all, there's a very strong notion that it's first of all about supporting women. But when you come to supporting families and supporting indeed the whole family unit, then I do think parental leave is really important. I don't think we've really well investigated - and it would be important probably to look at schemes that are in existence in other countries.

For instance, I think I mentioned - because my son happens to be teaching in Germany at the moment and they have small children. But in Germany there is a system of parental leave where some is allocated specifically to the mother, but where the full amount which is quite a generous amount of paid leave is actually made over quite a long period, I think it's over a year. The full amount is not made available unless in fact some of the leave is taken by the father.

MS MacRAE: Yes.

MR FITZGERALD: Yes, that's right.

MS STRAUSS (AFUW): I think that's a very good scheme. I certainly think in an ideal world fathers should be much more heavily involved with their small children. It pleases me that my own children - not the oldest and even I think the two younger ones in a sense belong to, ironically in the same family. A shift occurred which I think actually affected the two younger ones who are much more heavily involved and have both taken part-time work at some stage and worked out that kind of shared parenting system. Although this also depends on the choices of their partners.

MS MacRAE: I'm conscious of the time, but one of the other issues if there's to be a distinction between those outside the workforce and those inside the workforce is how you define who's in and who's out. You already made the comment that you would like casuals to be included. Would you be looking at a sort of replication of the arrangements we had for unpaid leave so that you do have to have some level of attachment based on hours in the previous 12 months or whatever, something like that?

MS STRAUSS (AFUW): Yes, I think we said something like working 10 hours - - -

MS MacRAE: Sorry, it was in your submission, that's right.

MS STRAUSS (AFUW): Yes, in the submission.

MS MacRAE: Yes.

MS STRAUSS (AFUW): Yes. That was why I was particularly emphatic that it should not be for a single employer - - -

MS MacRAE: Right, yes.

MS STRAUSS (AFUW): - - - in other words. Yes, I think in New Zealand they did quite a bit of work on this beforehand. I think they had something like 10 hours a week averaged out, a bit like what applies to your income tax now. I mean, you might do 20 hours in one week and five in another, but if over a period of so many weeks during the year you have actually managed to average.

MS MacRAE: An average, yes. Okay.

MS STRAUSS (AFUW): There might be a level perhaps at which - I really haven't thought about whether there would be a level which you thought was too low to count. But since the government or the past government used to count one hour a week as being employed, well, perhaps that should be the level.

MR FITZGERALD: That's an interesting concept. All right. We might leave it on that.

MS MacRAE: Yes, thank you.

MR FITZGERALD: Are there any final comments or questions, Angela?

MS MacRAE: Okay.

MR FITZGERALD: Any final comments from yourself?

MS STRAUSS (AFUW): I don't think so.

MR FITZGERALD: That's been terrific.

MS STRAUSS (AFUW): Thank you very much for your questions.

MR FITZGERALD: Thank you very much.

MR FITZGERALD: Ian, if you could give your full name and the organisation that you represent and then some opening comments and then we'll have a bit of a chat about those comments.

MR BLANDTHORN (SDA): Okay. My name is Ian Blandthorn. I am the national assistant secretary of the Shop, Distributive and Allied Employees Association.

MR FITZGERALD: Okay. Over to you.

MR BLANDTHORN (SDA): The SDA is Australia's largest single union with approximately 220,000 members. We cover workers in retail, fast food, hairdressing, modelling, warehousing, the drugs industry. The majority of our members are women, many of them being young women. Workers in our industries are largely low-paid workers at the lower end of the income spectrum, whether they be full-time, part-time or casual. So obviously most of the members of the SDA are also low income workers.

We would suggest when considering an issue such as this or any other policy issue, government policy and action should be underpinned by a commitment to certain key principles. We would say that those key principles are, firstly, recognition that the family is the fundamental group unit of society and a key component of a nation's human capital. We would also say that a standard of living consistent with human dignity is a fundamental right of all Australians. Support provided by government to families should be on an equitable basis, taking into account particularly the needs of low income families. We would also suggest that in a matter such as this, or in any other social policy area, the choices families make should be respected and supported where possible by government.

So we start off by saying that families are very, very important. The centrality of the family is recognised in the UN Declaration of Human Rights. We say it's central of course to the development of human capital. Successfully functioning families are the building blocks of strong communities and strong nations. Having said that, we also say that there are a large number of families in Australia today who are facing considerable financial difficulties; many are living close to or below the poverty line. We do not believe that's in the interests of Australia, let alone of the individuals directly concerned.

NATSEM, which I'm sure you're all very familiar with, has shown there's a range of factors which play a part in determining the living standards of families; families with children are more likely to be in poverty than those without children. The larger the family the more likely it is to face financial difficulty. Sole parents of course face the highest risk of poverty and social disadvantage. There's a clear

linkage between poverty and employment. Those most likely to be living close to or below the poverty line are the unemployed. Two-thirds of all children living in poverty come from families whose major or only source of income is government support payments.

We also say that as NATSEM has shown in a number of its reports, a larger proportion of families are living on incomes just above the poverty line. Of course, Henderson when he developed the poverty line quite some time ago now regarded those as living within 20 per cent of the poverty line as still being poor. We say that poverty puts families under enormous strains. The percentage of disposable income expended upon necessities by the first quintile of households is significantly greater and a clear line can be drawn between the quintile and the amount of money expended on necessity. Food of course is the biggest expense, but other key necessities are also critical factors.

NATSEM has suggested that children born into socially and financially disadvantaged families often start with below average birth rates, are less likely to be well-nourished, do less well in school, are more prone to sickness and are more likely to become overweight and do less well. So we say that taking those things into account, the central theme of any coherent approach on this issue or any similar issue must be to ensure that all families have a sufficient income for them to be able to live decently with dignity. This should I think guide consideration of the introduction of paid maternity leave.

To lessen the financial difficulties facing families and to build and strengthen the nation's human capital, we strongly support the introduction of a paid maternity leave scheme. Having said that, given that we recognise the family as being so important, the family being critical to the development of the nation's human capital, we would argue strongly that all women who have children should be eligible for this payment. We believe it would be grossly unfair to those women who are not, for one reason or another, in paid employment if a paid maternity leave scheme was introduced and they did not benefit from it.

We would say if only women in the paid workforce at the time of them giving birth were eligible for paid maternity leave, many women such as those engaged in marginal or seasonal employment or who are out of work at the wrong time, so to speak, would miss out. We would say that those out of work due to illness, incapacity or inability to secure paid work, even if they wanted to be in the paid workforce, would miss out. We would also say that those in paid employment who have a child, taken maternity leave intending to go back to work then fall pregnant and have a second child before returning in the first instance would again be a group who would miss out. Then of course there would be those mothers who choose to exit the paid workforce to care for their children who would also miss out if they

then were to fall pregnant at some future time while they were out of the workforce. Unless a scheme was open to all women, we believe it would be subjective. It would be discriminatory. We believe therefore that a scheme to be effective needs to be non-discriminatory. It needs to be totally inclusive.

Current demands upon families make it very difficult for most families to survive on one income. We believe it's critical the government continue to respect the right of parents to determine whether one or both parents are in the paid workforce. We would point to a range of surveys that have been done, a range of research that has been done ranging from Catherine Hackim, through to researchers such as Mariah Evans and Jonathan Kelly at Monash University producing publications in *People and Place* and suchlike, who all indicate that there is a real preference among a significant number of mothers to be home when their children are first born and for some time thereafter.

In fact I would also point out the fact that the SDA from time to time conducts independent surveys of our own members to ascertain their views on a range of issues. Having done that, our own surveys show that a majority of women would prefer, having had a child, to be out of the workforce for some period of time to care for that child before returning to the workforce. The World Health Organisation, concerned to maximise the health and development of young children, recommends that all children receive at least some breast milk. I'm sure you've become aware of that study. The capacity of women to have time off from work after delivery makes this a more achievable outcome. A recent Melbourne University study actually further supported that suggestion.

So we say government policy should be aimed at facilitating return to paid employment for those who wish to do so, but it should not focus on forcing mothers of young children back into the paid workforce against their wishes and until they're ready to do so. Post-birth health of the mother and the child and the development needs of young children would be, in our view, facilitated by making it easier for parents to be able to choose how they deal with post-birth situations.

So it follows, we believe, from what I've already said that any paid maternity leave scheme should be funded by the government. It couldn't be employer funded because there would be a range of people who, under our proposal, would be entitled to such a scheme who would not in fact have an employer. The payment should be made fortnightly into the bank accounts of the mothers.

We would recognise that a range of employers now provide paid maternity leave and that list of course is growing. We would say any such employer funded arrangements should be seen as additional and the subject of negotiations between the relevant industrial parties. A top-up, if any, to an employee's ordinary time

earnings funded by the employer could be part of the legislated National Employment Standards.

We would totally be opposed to any proposal that employees fund in full or in part their own paid maternity leave. I would draw your attention, for example, to the situation of people working in low paid industries. A shop assistant, under the Victorian Shops Interim Award, as of today earns \$15.29 per hour. Workers on incomes such as these simply can't afford to have levies or surcharges impacted upon them. They are already struggling on incomes like that to survive, and any other additional levy or surcharge would make it very, very difficult for them to survive economically.

We also don't support any linkage between payment levels and wages. What we would say is that would lead to higher income earners receiving a greater payment than those on lower incomes, and we believe that would be inequitable. It would also mean in part that part-time and casual women in particular could be worse off, let alone those not in receipt of any income at all. We would say the cost of raising a child is the same, and the benefit to the nation is the same, irrespective of the earnings involved. Accordingly, to provide a smaller quantum of paid leave to those on lower levels of income, and presumably less able to survive anyway because of those lower levels would, in our view, be inequitable.

We would argue that the payments should be at the level of the federal minimum wage and adjusted as the federal minimum wage would be adjusted. To be socially equitable, a payment should be progressive and therefore we would support such a payment being means tested. We recognise that such a proposal that we're making obviously is expensive and we would be quite open to the proposition that the baby bonus payment - or whatever it might be called in the future - be absorbed into this payment, given that both would be coming out of government coffers.

With the introduction of a paid maternity leave scheme, employees, we would say, should have their current parental leave entitlements protected and have the right to accrue superannuation currently at 9 per cent, long service leave, annual leave, sick leave, while receiving such payments, and women not in paid employment should also receive the superannuation payment or entitlement.

So in summary our view is that a scheme such as this would be of great benefit to families, it would improve the position of many, many children in the country and it would significantly boost the development of the nation's social and human capital. Thank you.

MR FITZGERALD: Good, thanks very much. There's a number of issues that you've raised which I'm sure we're keen to explore. I'll let Angela start off.

MS MacRAE: I guess the first thing is about the inclusive - you're saying it's an inclusive non-discriminatory payment but then you're happy to have it means tested. There's arguments around if we were to have something - well, one argument is if it's non-discriminatory then it's available to all and it would be a flat rate to everybody. Can you outline a little bit more about your conclusions around means testing? I mean, some of it was implicit in your comments but I'd just be interested.

MR BLANDTHORN (SDA): I would start by saying that bearing and raising children is a contribution to the wellbeing of the nation, irrespective of whether the mother has come from paid employment at the time or been out of the paid workforce. We would say that the benefit is good across the board and it doesn't relate to previous income of the mother or the family concerned. Having said that, one has to be realistic about these payments and one has to take into account I think that some families are doing it much tougher than other families, and in that situation the priority must be to ensure there is adequate level of support for the lower income families. That's where we're coming from when we advocate means testing.

MS MacRAE: Would you see that means test based on current income and, if so, would it be family income or mother's income, or how would you apply the means test?

MR BLANDTHORN (SDA): I think there are a range of ways that means testing could be applied. It could be applied in the way that is conventionally applied to other Social Security payments. It could be on the family income, and we would say that would be appropriate. Another alternative that we would not be opposed to would be to introduce means testing through a less conventional means, such as making the paid maternity leave payment taxable. I think there are a range of ways you can do it. What we are really trying to do is inject an element of progressiveness and equity into the system.

MR FITZGERALD: Just on that, means testing would apply to payments whether they are made to those in the workforce or those out of it. Is that correct?

MR BLANDTHORN (SDA): Yes.

MR FITZGERALD: Just linking that, your top-up provision, can you just explain your position in relation to - you said, "a top-up, if any". Are you, as a union, going to be seeking further requirement that the National Employment Standard would require employers to top up. Is that your position?

MR BLANDTHORN (SDA): We would support the National Employment Standards being amended to provide for a top-up.

MR FITZGERALD: To the full wage?

MR BLANDTHORN (SDA): To a full wage.

MR FITZGERALD: Let me clarify this if I can. Let's assume a woman receives a government-funded payment but is subject to means testing, so they may receive it at a lesser rate, but under your proposal the employer would have to top that up to the full payment. Is that right?

MR BLANDTHORN (SDA): If the National Employment Standards were amended that's exactly what would apply.

MR FITZGERALD: It wouldn't surprise you that we've had employer feedback saying that they totally oppose the National Employment Standards having any requirement in relation to paid leave. They would say to us that if you impose that then in fact it will ultimately be against the interests of women as workers. Now, as you said your union represents a very large number of women and so the employers are obviously affected by that group. I'm just wondering whether you could explore the issue of mandatory top-up as part of the National Employment Standard.

MR BLANDTHORN (SDA): We have already been negotiating with employers for the introduction of paid maternity leave or for top-up, and you would be aware that there are a small number of retailers - - -

MR FITZGERALD: Yes.

MR BLANDTHORN (SDA): - - - and I think that list is going to grow over the next little while, who are prepared to agree to something in the area of paid maternity leave. For workers in an industry like retail, if the payment was at the minimum wage, while it would be a significant impost on employers it would probably be less than some other industries because of the base wage that applies in retail in the first instance.

MR FITZGERALD: But just taking that forward a little bit further, as a principle some employers will be disproportionately affected vis-a-vis others, and some would say that you build in an unfair burden on employers, whereas if you leave it simply to collective bargaining, as distinct from the employment standards, then in fact you can have differential approaches, given the nature of the industry. I was just wondering your view about that.

MR BLANDTHORN (SDA): We are mindful of the fact that a paid maternity leave scheme funded by employers would be a significant impost on employers.

That's why we have advocated that it ought to be a government-funded payment in the first instance. We are finding, as I indicated, a range of employers are starting to open up to the option of paying something in this area. Yes, it would be an impost on employers. We are quite happy to negotiate with employers - employer by employer - on the issue, but obviously it would be a preferred situation for us if the National Employment Standards were amended, recognising that, yes, it would be an impost on employers.

MR FITZGERALD: Just related to that issue, you've mentioned in the retail area - we noticed obviously the deal announced by Myer and Aldi and a couple of others and those schemes are very different in quantum. If the government were to introduce a scheme that it funds, are you saying that whatever has already been negotiated would have to be over and above that, or is there a capacity for some absorption. For example, the Aldi deal is I think 14 weeks for some of its employees. Would you see that - they having to provide the 14 weeks over and above the government scheme or would the government scheme be able to be absorbed into that arrangement?

MR BLANDTHORN (SDA): I think that's something that really should be the subject of negotiation between the industrial parties. We would sit down and seek to talk to the employers and talk to the most mutually beneficial outcome we could agree to.

MR FITZGERALD: So basically, as you say, it would be subject to negotiation.

MS MacRAE: I was just interested in the suggestion around the super payments, and in particular for women who aren't in the paid workforce being entitled to receive a super entitlement on top of their paid maternity leave. I'm just thinking that if the payment is to be a the federal minimum wage and you were to take an element out of that for super, I mean, for one thing if those people aren't going to be back in the paid workforce for some time, if they chose to take a longer period than the paid period might be, or even if they're out of the paid workforce and never intend to go back, you're going to end up with a very small account that has very little in it. Do you see a sort of a churning in that, that there's a benefit there that people aren't going to get much value out of in the end?

I guess the pressures on a family with a newborn baby, whether or not you see a trade-off there in that in making a super payment available for them which they may or may not access at any level later in life, if it ends up being a small account that's whittled away with fees - I know there's protection, but it's pretty small. I guess I was just interested in why that super entitlement was a priority for you? I thought there might be more pressure for people to say, "Look, I need the money now because I've got all these new financial pressures on me at the moment and

that's more important to me than getting a small amount more in my retirement."

MR BLANDTHORN (SDA): Our core proposal is that people receive the 14 weeks at the federal minimum wage, and anything else we're saying would not detract from that. So in addition to our core proposal what we are suggesting is that employees should continue to receive their superannuation entitlement, and for women not in the paid workforce that would mean a payment over and above the federal minimum wage. We're not advocating that 9 per cent be taken out of the federal minimum wage level payment.

Having said that, there are not many women in the workforce, or out of the workforce even, these days who do not have a superannuation account. The vast majority of women have superannuation accounts, even if they are basically dormant accounts because they are not earning at a particular point in time. I think for many the bigger problem is a number of them have more than one account. But having said that, we think as time goes by the number of women who do not have a super account will be fewer and fewer. Demographics also suggest that ultimately most women, even if they are out of the workforce for a period of time, do ultimately go back into the paid workforce. So what we're seeking to do is to help their superannuation account along the way by putting this proposal in addition to our core proposal.

MR FITZGERALD: The question here is if you have an attachment to an employer, you've indicated that you would have the right to accrue long service leave, annual leave, sickness leave and superannuation payments, why would the superannuation payments be paid for by the government? Why would you not just simply see that as a continuous payment by the employer?

MR BLANDTHORN (SDA): We do. For people employed we do.

MR FITZGERALD: So people who have got an attachment to an employer that is not government subsidised?

MR BLANDTHORN (SDA): No, we would see that those entitlements that people would accrue if they were in the workforce would continue to accrue in the normal way.

MR FITZGERALD: One of the issues here is, let's assume the government pays up to 14 weeks at a minimum wage, these entitlements would accrue for that period of time. But what we've heard is that many people want to be able to have the ability to spread those payments over a longer period of time, at half rates. Whether or not you would do that with another government-funded scheme is another issue, but these entitlements, in your view, would only apply for the 14-week period, even if

they spread that over 28 weeks or a longer period?

MR BLANDTHORN (SDA): Yes.

MS MacRAE: One of the questions we haven't talked about much is - well, entitlement probably doesn't come into it in the sense that you're saying that it would be available to everybody. But I can imagine a situation, I'm just trying to think of the mechanics, that you might have a casual or a part-time employee who has a link to an employer but may not be doing sufficient hours to be entitled to a superannuation payment, because they're part-time so they're not doing that level per month, but people outside the paid workforce would be getting a super payment because their government payment would be sufficient to give it to them. Do you see what I mean? I just wonder if it would open areas of inequity there between the part-timers and the completely out of the workforce? Unless you included the government payment for the leave as what the employer should also be paying super payout on. Do you see the point I'm making? Sorry, I haven't explained that very well.

MR BLANDTHORN (SDA): Yes, I do. I acknowledge there would be a group of people, part-timers working a small number of hours, and casuals who would not be entitled to a super payment from the employer, and we would say that in that situation that's where a government payment should apply.

MS MacRAE: Okay, so you get the government to fill in.

MR BLANDTHORN (SDA): But anyone who would otherwise be entitled to a payment from their employers should continue to receive the payment. If they for one reason or another don't receive the payment from the employer then the government payment should apply.

MS MacRAE: Okay.

MR FITZGERALD: Can I go back to a very broad issue? I mean, there's two issues. One is, some would say to us, given that employers, including in your own industry, are starting to provide paid maternity leave either because of the negotiations that they're having with organisations like yourself or voluntarily, as the case may be, but really governments should not get involved in this, that in the sense the market is starting to move in quite a significant way and all that this will do is crowd out this effect. I suppose one of the principles would be governments shouldn't interfere if the market will eventually take care of it, and you can have your arguments about that, although the market is obviously moving.

The second issue is what are you really trying to achieve by this arrangement?

In other words, if we were to introduce a government scheme in the way that you've indicated what would the landscape for your members, what changes would we see? What is the behavioural change that you think might occur, or you would like to see occur, as a consequence of this payment? In a sense most people are saying, "Well, it's very important because otherwise women are disadvantaged," but I'm just wondering in your particular sector what do you think would be the effect of such a scheme? So one is about the market and one is about the effect or the objective that you think could be met if this scheme were to be introduced.

MR BLANDTHORN (SDA): In terms of the issue of the market, yes, we have over recent years seen some movement. Having said that, and not wishing to disparage the companies at all that have introduced paid maternity leave, you would be well aware there are all sorts of caveats on those schemes, and who is eligible, and on what basis eligibility applies. What we would say is there are large numbers of people working for the companies in the retail industry who have introduced paid maternity leave or who are seriously thinking about it who would not be eligible under the schemes being introduced. So with large numbers of workers missing out what we say is it will take a very long time for the market to adjust to the stage where it looks after the needs of those workers. Therefore, to address the pressing needs they have we are advocating a government-funded scheme.

In terms of behaviour - and if that is relating to workforce participation, I have to be frank and say I don't think it will make a lot of difference - I think there's now a substantial amount of evidence to suggest that women who return to work overall earliest are probably those who have got better levels of education and better jobs, and who return for all the reasons we would well understand about career and the like.

Many of our members are not tertiary educated. Many of them are not holding senior positions in companies, and so they don't fall into that category. They would prefer not to be going back to the workforce to be the check-out chick at Woolworths or Coles. They are forced to do so because their family needs the income. What we would see is that by providing a period of paid maternity leave what we would be doing is providing a level of social good in enabling these women to stay at home for a period of time to look after their children at a time when children are vulnerable and need their mothers around. But we think ultimately these women will go back to the workforce anyway because the pressing needs of their family's financial situation will dictate that they do so.

MR FITZGERALD: Will you expect that whilst they would come back in the same numbers that they probably are now, because they need to, do you think that they would delay their return to work if these payments were made? In other words, we may not see a change in the overall participation patterns, but do you think, given

the nature of - as you say, they come back to work because they have to, is the logical argument that a payment would in fact allow them to stay out longer? Is that what we're likely to see or not?

MR BLANDTHORN (SDA): I don't think it will make any significant difference. These people are in a position where, by and large, they are not utilising formal long day care arrangements simply because the cost of formal long day care is such that many of them can't afford to. So unless they can find other child care, informal arrangements, most of them are not coming back into the workforce that early after the birth of a child. What we are seeing with this payment is that it will give them a greater level of financial security while they are out of the workforce, but we don't believe it will significantly delay their return back into the workforce.

MR FITZGERALD: You mention that you've done surveys of members. It's been put to us recently that in fact other issues, such as access to child care and flexible child-care arrangements loom much more significantly than, say, paid maternity leave. That may well be because the groups we were talking to already have a reasonable level of paid maternity leave and therefore other issues are more important in their consideration. But I was just wondering what your surveys are showing in relation to the importance of paid parental leave vis-a-vis other issues. Is there a clear pattern emerging from that, Ian?

MR BLANDTHORN (SDA): There is a pattern. Our members do not put child care as a top priority. I think the reason they do not is because of what I said earlier, that they recognise that they cannot afford to access the long day care arrangements, and many of our members work unusual hours. They work at nights and they work at weekends, for example, when a normal child care centre is generally not open. Most of our members are using informal arrangements whatever the age of their child. They are looking at financial security for their families as a much more pressing issue.

MR FITZGERALD: Are any of those survey results available to us?

MR BLANDTHORN (SDA): We can make those available to you.

MR FITZGERALD: Have a look, and if you can that would be helpful, because certainly your particular membership represents a particular strata within the workforce which is of particular concern to us. So their views or thoughts in relation to this would be very helpful.

MR BLANDTHORN (SDA): I'm happy to make those available.

MR FITZGERALD: Yes, because they're quite different from other parts of the

workforce, which seem to be indicating slightly different results. But I qualify that by saying it may well be that they already have access to a reasonable level of paid leave, and therefore the issues are of a different nature.

MS MacRAE: You did also mention as part of the surveys that the majority of the women in your workforce at least prefer to stay home with their child for some time. Is there evidence from those surveys that they're feeling pressured to return to work before they want to, and is there any indication from those surveys what the difference is between time out and time preferred to be out of the workforce? I guess if you don't know but if you could have a look for us if you did have that sort of data - - -

MR BLANDTHORN (SDA): I'm happy to provide that information. I think what is interesting is that if you go back to the 90s, or even to the 80s, and then you come forward, there's not a significant amount of difference in the returns among our members on some of these sorts of issues. I think the general demographic trends probably, in very broad terms, relate to our members in terms of return to work related to age of child. Clearly as children get older more and more of our members come back into the workforce. They then have another set of problems, such as vacation care and the like, but they tend to be coming back into the workforce. I mean, the key driver for most of our members is economics.

MR FITZGERALD: Could I just ask a question about paternity leave. From what you've said I gather you see a distinction between maternity leave, which is only available for the mother, and other leave. I was just wondering whether you have a particular view about paternity leave broadly defined as being for the father and/or supporting partner?

MR BLANDTHORN (SDA): If we're talking about the option for a family to choose who stays home over the 14-week period, for example, the mother might take some time and the father some time, we would strongly support that sort of proposition. If you're talking about paid paternity leave on top of paid maternity leave, if I could have a wish list, yes, of course I support it. Having said that, we're realistic, and trying to approach this one step at a time.

MR FITZGERALD: So could I just clarify that, in the 14-week period that you're proposing be funded by the government, do you see that 14 weeks being able to be taken by any combination of the mother and the father, or would that be strictly maternity leave?

MR BLANDTHORN (SDA): We would be open to that being a choice that the parents make.

MR FITZGERALD: All right.

MS MacRAE: I guess one of the other points was just in relation to having the payment made into the bank account of the mother. If the father was to take some of the leave, for example, would you see that changing or do you think that the mother should ultimately have the sort of say over, or the control over, that income stream?

MR BLANDTHORN (SDA): I guess we were coming from the position of who was the primary caregiver.

MR FITZGERALD: Most social security is paid into that account already. Okay, are there any other questions?

MS MacRAE: I don't think so.

MR FITZGERALD: Thank you very much for that, that's terrific.

MS MacRAE: Thank you.

MR BLANDTHORN (SDA): Thank you.

MR FITZGERALD: So we're very grateful for that submission, and also we will receive your submission in due course.

MR BLANDTHORN (SDA): Yes, we'll provide the survey results.

MR FITZGERALD: I think we'll now break until we hear from the Victorian Women's Trust, which I have scheduled for 1.30.

MS MacRAE: 1.30, unless it's changed.

MR FITZGERALD: So we'll resume at 1.30.

(Luncheon adjournment)

MR FITZGERALD: All right, if you can give your full name, the organisation you represent and give us your opening comments, and then we'll have a bit of a chat.

MS CROOKS (VWT): Mary Crooks, and I'm the executive director of the Victorian Women's Trust. What I've done is to elaborate on the dot points that were forwarded to your office, and I'll hand in the elaborated comments for you this afternoon. So I've put each of these in a shaded box with the elaboration underneath.

So the first bullet point, we're lagging behind. So to me, it's not if we have such schemes, it's getting on with the business. But I am suggesting that, as you know, many of these schemes have been adopted around the world. My finance manager told me yesterday - he comes from El Salvador - to his recollection they've had a maternity leave scheme in El Salvador for several decades. But in almost every developed country, Africa, Latin America, the Caribbean, Asia and Oceania, my point here is that many of these schemes have been going for a long time now so it should be possible to pick them over for their good points, so that we shouldn't only be instituting schemes like this in this country but we should actually seize this as an opportunity to actually get onto the world stage and establish a world's best practice approach to parental leave covering men and women.

The research data, and we will produce this in our submission on 2 June, show that when people are constructively supported in their paid workplaces by fair and reasonable conditions, especially with supported maternity leave provisions, they're more likely to be loyal and productive to the extent that the benefits to the employer usually outweighs the recruitment and other replacement costs.

In terms of community expectations, community expectations are way ahead of government at this point, even with the change of government. We love our cricket, we love our sport. I want you to note that our cricket governing body and many of our iconic cricketers already publicly acknowledge the importance of fathers being around not only for the birth but to provide postnatal support even to the extent that they're willing to miss test matches. The submission from Julia Perry that I think you already have incorporates the survey findings from a recent Newspoll asking respondents for their views on paid parental leave. Support was strong, up there in 76 per cent, and there was 78 per cent support for a shared funding model. The people commissioning the research and the Newspoll team expressed surprise by the strength of these findings.

I'm not surprised. Over the past several weeks, knowing that we were going to come here, in the course of my work and the way I move in and around the Victorian community I've done my own spot polling informally with many women and men. The response is commonly, "Why the delay? Just get on and do it. Why are we

debating this?" When I press on the minimum period for mother on leave after a birth the response is unambiguously at least six months. Women's wisdom is that successful breastfeeding regimes need at least six months, but importantly, the actual full recovery from the profound physical and emotional experience of pregnancy and birth is even longer. In my case, the full recovery from an emergency cesar I think was about 18 months.

In looking at the cost of a national paid maternity scheme, for instance, I wanted to make the point - and I know that I'm probably telling both of you how to suck eggs here, but I still wanted to make the point that we have to see the overall costs within the context of women's work, both unpaid and paid. It still grieves me that we conduct our national economic accounting systems by valuing only market transactions and not non-market. The simple fact is the amount of women's unpaid work in the home is so great that even when it's calculated at a low wage rate the country could not afford to pay women to do their unpaid work. The government assistance to families and women, while it might run into some billions of dollars per annum, would never, ever bridge the gap between the amount of unpaid work women do. I think of this when I hear the debates about the cost of a maternity leave scheme.

I think, actually, if you measured it against the degree to which women work for families unpaid then any cost associated with a national paid maternity leave scheme pales into financial insignificance. I've used some of the data here, which I won't read out now, from Canada, Duncan Ironmonger's in Australia in terms of the billions of dollars of hours in unpaid non-market industries starts to rival the billions of hours on market work.

The next point I wanted to address is around social equity. As I've said, I think the acid test of any fair and effective national scheme has to be how well it caters for where the majority of men and women are, and they're not in high paid, full-time work. As you would know, the majority of women are actually in part-time, lower income and casualised work. Many of them are self-employed in small businesses, either as employees or owner-operators, and many of the self-employed are women working on farms. I presume that you'll have submissions from women in organisations dealing with agricultural industries. But to me, the opportunity to devise and advise on national schemes from the beginning must strive to take proper account of these realities and to enshrine fairness and equity so that all Australian men and women, irrespective of their background, their ethnicity, their education, their income level, can access these schemes.

Again, in terms of who should fund, I've kept to an in-principle position here rather than a more tailored model. The recent Newspann that I mentioned before indicates that 78 per cent of people have a strong and intuitive sense that the scheme

should be funded on a shared basis between employers, employees and government. We support a model that shares the cost. As I've said, I think, in our dot point, I certainly wouldn't want to see small business being penalised for the existence of such provisions.

One of the points, though, to end my presentation, is around developing an even more proactive and positive workplace culture so that men and women aren't discriminated against because they take leave of either maternity or parental leave. The Human Rights and Equal Opportunity Commission has data suggesting the onset of maternity is a major cause of discrimination against women, that they have a tough time when they go back into their paid work. Anecdotal, I've also come across instances not only of discrimination against women but instances where fathers have been punished in their workplaces by even daring to try to take carer's leave, let alone a more prolonged period of parental leave accompanying birth.

So in the interests of continuous quality improvement I think any introduction of such paid leave schemes needs to consider a package of support measures, at least for a period of time, so that management cultures grow and improve to the extent that they can provide a seamless and positive return to paid work. That's it for my elaboration of the points. I'm happy to discuss further.

MR FITZGERALD: Thanks very much. Just starting at the last point, if I can, clearly people have said to us that paid leave is but one of a number of measures, but there seems to be some differing views. One is that for certain workers this is a very important sort of top of agenda issue, for others it ranks less importantly than other issues about child care and flexible arrangements, and so on and so forth. There may be a number of different reasons for that, including the income that the particular group of women are in. So those on very low incomes may value this more importantly. But I was just wondering, in the discussions you've had with women generally and your own organisation more specifically, what are the other issues that rank as much in importance as this issue, or does this issue stand, in your mind, head and shoulders above the other issues? So I'm just trying to get a sense of - - -

MS CROOKS (VWT): No, I don't think it stands head and shoulders. I think it's there with a couple of other overarching issues. One is the continuing devaluing of unpaid work. I mean, this happens in all sorts of ways. For example, even in the Human Rights and Equal Opportunity Commission document valuing parenthood of some years ago, a couple of years ago now - I'm sure it's just totally inadvertent, "Women are less likely to work as the number of young children they have increases." I think that a lot of women know that the toughest job, the toughest gig you can have is to mother, as I know. My toughest job has been to have been a female parent, and my next tough job is to the executive director of the Women's Trust. So it's very cruelly ironic that there's a suggestion that the more children that

you have the less you work.

I think that there's a silent, often unarticulated despair on the part of women that society as a whole doesn't value their unpaid work. I think that women struggle way too much in the community to access services - a lot of the time for basic support, catching three buses to access a maternal and child health scheme - centre - whatever. I'd be acting on the rule of thumb that in an ideal world a mother should be able to have walking distance access to a maternal and child health centre. As Marilyn Waring points out in her seminal book years ago, we define primary health care in this country as hospitals and doctors and whatever. No, the primary health care sector of our economy is in the home. If we budgeted in our health budgets, again, we wouldn't be able to afford to support that the way it should be.

So unpaid work and the devaluing of it is important in women's minds. They feel a bit insulted and let down often. Child care is a critical issue in women's minds, but I think also insecurity in women's work in casualised positions where they are hanging on to insecure work. The other issue that I believe is not getting enough national debate, and we are trying to push it over the next year or so, but the welfare to work provisions that were ushered in by the previous government and have been, I think, at least tacitly endorsed by the current government which tell a sole parent woman, for example, head of a household, that once her child reaches primary school age then she must go out and work.

This is sending a message to women at the lower end of the income spectrum that their role as a mother and a parent should be confined to particular times of the week and it sends a message to more middle class and affluent women that they can actually stay at home and pick up their children after school and so on. I think that kind of punitive - I know there is a great degree of haemorrhaging in the electorates by women about this issue but nobody has picked it up and batted for them, and I think that is shown in the poll data from the last federal election where a small number of federal seats with a high proportion of sole parents actually registered a very high anti-Howard vote. I would number those as some of the front of mind issues.

MR FITZGERALD: When the baby bonus was introduced I was wondering what your reaction to it is, and was, and what women's reaction was because in a sense it was a political contrivance, I suppose, to meet a number of objectives. One was the cost of care, in a sense an alternative to paid maternity leave to some degree and a number of other reasons. I was just wondering whether or not that in any way addressed this issue of valuing of parenthood, motherhood, or was it perceived in a different way?

MS CROOKS (VWT): I think it's a fairly lazy and crude policy measure, to be

honest. I never liked the fact that it was not means tested, and my point before - I'll go back to that - really I think if this country addressed much more maternal and child health, and those early years especially, not just in terms of child care but kindergarten places, kindergarten for three-year-olds, but maternal support other than a cash bonus, but being able to walk to your maternal and child health nurse; not being restricted to only a number of visits; maternal and health nurses being able to come to your house because you're just feeling too sick to go. Those kinds of service responses in my view would not only be more effective but they would be valued much more than cash transfers.

MR FITZGERALD: In your proposal, can I just clarify, you're obviously supporting obviously paid parental leave, but what's your view in relation to those that are not within the workforce? What are you suggesting for that group of mothers.

MS CROOKS (VWT): Of?

MR FITZGERALD: For mothers that are not in the workforce; those that are marginally attached or not involved in the workforce. I understand your position is for paid maternity leave but what about for those not in the workforce?

MS CROOKS (VWT): Yes. Our thinking - and we'll develop this more in 2 June - is we should be picking that up in the kind of national maternal and child health policy that ideally you'd like to see in this country. We're still doing work on that but it goes to that issue of having a much more profound and obvious expression of support for women who are working at home, other than these items you've mentioned like baby bonuses. In terms of parental leave, paid leave for men, we endorse it with a vengeance. We would not want to be seen as a women's organisation that was only interested in paid maternity leave. Our experience - and again I can claim it from not just a professional but a personal one - is that everybody benefits when the fathers are in the picture and when fathers have more time at the birth and postnatally; for example in 48/52 schemes where they can be with their children at a number of key points in their children's lives. When fathers have had a taste of that kind of family experience they actually don't want to let it go. We believe - and we welcome the fact - that this is not simply about paid maternity leave.

MR FITZGERALD: Although in your submission you haven't indicated any length of time that might be available for paternal leave.

MS CROOKS (VWT): No, because again we're still doing the work and looking at overseas examples and so on, but we have made the point that they should be generous enough not to be considered paltry, and they should be generous enough so that more dads actually want to get home and take them. It's hard for men. It's

harder for men I think to oftentimes leave their employment. The pressure is there and the expectation is that they should be on their job; whereas a woman, it's easier for her in a sense because as she's pregnant and as she's moving towards her delivery time, she doesn't really want to have the baby on the office floor, so it's technically easier for her to leave.

MS MacRAE: They don't want her to either.

MS CROOKS (VWT): No.

MS MacRAE: There is this expectation that she will go on leave and there's a very evident and obvious sign that it's all coming and going to happen soon. Well, I know in the case of my husband I don't think anyone even knew that I was having a baby until he said, "The baby arrived yesterday and it happened to be mine," and it was like, everyone was surprised. It was not discussed in his workplace.

MS CROOKS (VWT): Yes. One of the things we're picking up on too in the 2 June submission is that it's not simply about paternity leave either. It might well be that flexible hours or some negotiated formula for several months is arranged with the employer so that the dad is in fact home a little bit earlier and can just look after some of the mess at the end of the day.

MR FITZGERALD: Sure.

MS MacRAE: Sorry, just thinking about the mess at the end of the day, it rings bells. I was also interested in the idea - I mean, I know the study that you cited was showing support for the tripartite support. I was just wondering if there was anything further than that behind your support for a scheme that would have contributions from all three, from government, business and employees, especially given the comment you'd made about it not wanting to be a burden on small business.

MS CROOKS (VWT): Yes. Again in thinking about the dot points, I don't profess to have my head around a lot of the technical design details, and if you were going to ask me those I was going to say, "You're the commissioners - - -"

MR FITZGERALD: Thanks, Mary, that's very generous of you.

MS CROOKS (VWT): "- - - you've got many more months ahead of you to cudgel your brains in this regard."

MR FITZGERALD: Yes.

MS CROOKS (VWT): But I do believe there are a lot of very good models around

that we should be able to pick out the best. My answer is really more a philosophical and ethical one in that I don't subscribe to the argument of, "You propagate, you pay." I don't understand how people can still keep putting that argument in this day and age, frankly, in terms of the contributions that families make to economy and society. So I have a strong philosophical belief that this is a whole of society question. It's not about something for mums or for dads or for governments or employers or employees. We've all got a role to play I think in modernising the economy in this way. Part of that role is so it's shared - the responsibility is shared - the responsibility for parenting is not on the parents alone. Probably we would like it to be shared a bit more than parents alone in our nuclear kind of society. It's a starting point philosophically. I think our best outcomes are when everybody kicks in.

MS MacRAE: Just in relation to the choice of the six months' maternity leave, in your opening comments the focus was primarily on the return of maternal health. Do you have a view about the importance or whether the choice of that period, how much that was determined by the needs of the child, for the baby in that equation and whether that six months was related to the bonding and other issues for that period?

MS CROOKS (VWT): There's four probably really critical dimensions in that: one is the ability to have a satisfactory breastfeeding regime, and I think the evidence is incontrovertible as to the efficacy of that; secondly, I think people invariably, including women themselves, underestimate the degree of time that's required to heal the body. I can remember in my own case after my first emergency cesar, you get home, you've had major surgery, but everybody including yourself forgets that because you've got to get on with the business of feeding; thirdly, is the time to bond, and to get used to the totally, totally different life that you're now in, which is hugely demanding. Those unfinished sentences, the ability to maintain a lot of your previous social networks, and the guilt you might feel, and the lack of sleep. I mean, my second child - I thought it was a doddle because our first child slept through the night from the age of six weeks. I thought that's what babies did until our second one arrived and she didn't sleep through the night for two years.

That leads me onto the fourth part of the picture. There has to be a satisfactory period where in the case of partners, where the partners have the chance to get through what can be a very, very tough time if the baby is colicky, if something is going wrong. But they have to have the time to actually - it's more likely that by supporting one another that their relationship is able to even grow as parents in that period. I think part of the downside to all of this in the frazzled, demanding time, that men can feel emotionally as though they're missing out. They see the mother with the child. Their partner, the wife or the partner, can be at her wit's end. The marriage can start to fray a bit. The husband can feel left out. So I think there's actually a really important question here of trying to provide the kind of supports that

enable at least those three - the baby, the father, the mother - let alone the other siblings, they're the fifth part of the deal - to get used to these fundamentally changed relationships for the better.

MS MacRAE: The other interesting issue, I guess, in terms of the positive design features of a scheme relating to trying to cover those many parts of the workforce that aren't covered by current schemes, have you had thoughts about how you might want to try to define the casualised sector and the self-employed? One of the options would be to define eligibility for a scheme like this in similar terms to those that are eligible for unpaid leave. Have you given any thought to that, whether you chose similar definitions and whether you think that definition for casuals is appropriate or whether that's struck too high and cuts out too many?

MS CROOKS (VWT): I think the risk is it will cut out too many. We are turning our mind to that for 2 June, just in terms of going in and looking at the stats again and whatever. But in our busy lives at the moment it was just getting these messages in for now. I'm not sure we would have the wherewithal in our outfit to come up with anything prescriptive either. But we do want to think this through a bit more, because it's just to me so important. At the end of the day, in a couple of years' time, if we have schemes such as this where the data is showing that higher income women in the public sector, and men, were basically the only ones availing themselves of it then we're failing. We're failing a huge number of men and women. So I think it's critical at the very beginning to try to design it around eligibility and whatever so that that risk is minimised.

MS MacRAE: So you'd err on the side of generosity, I guess, at that bottom level?

MS CROOKS (VWT): Yes.

MS MacRAE: Okay.

MR FITZGERALD: Going back to the broader notion, let's assume one was to introduce some form of six-month paid maternity leave, at a minimum wage level or some other level. What do you think would be the impact of that? I mean, one of the issues here is obviously people believe that supporting motherhood, or the mother who is also in paid work is - what would change in terms of the actual pattern or behaviour of women, do you think, as a consequence of this? In other words, are we going to see them return to work faster or slower? You wouldn't think faster, but slower? Have you got a view as to what the world would look like if this was introduced, other than obviously easing the financial pressures? What would actually change in the workplace for women?

MS CROOKS (VWT): I think on return to paid work they would have more peace

of mind. They would be less stretched and carrying a burden of guilt as, I think, would the fathers who might be able to continue in their work. They would have more peace of mind too in the knowledge that this particular period of their lives had been more peaceful and productive. I think it was the NRMA research a few years ago, and I need to hunt this down for our submission, but that research I think made it quite clear that when women did return to their paid work after generous maternity leave they just even more so wanted to work harder and more productively for that company because they so valued the opportunity to have been supported like that.

I think employers would notice over the years that they actually get paid back in spades just in terms of attitude and performance, which is not to say women were performing poorly beforehand. But I just think that that's an age-old thing, that if you create a fair and supportive workplace like that people are wanting to actually belong there and they're wanting to enhance that culture.

MR FITZGERALD: Do you think it will make any difference to the fact that it would be a universal scheme, as distinct from what's occurring at the moment, where these arrangements that are available to about 45 per cent of working women in the paid workforce are voluntary or as a consequence of collective bargaining? So does the fact that everybody now is entitled to this make a difference to that scenario that you've just painted?

MS CROOKS (VWT): I'm not sure. I'm not sure that I can think ahead about that as much, because on the one hand I think it would enhance a woman's job on the return to her previous work, and in fact if she did go into new employment she would be in a better position having had this kind of leave. I certainly think it would take an enormous stress and strain out of the lives of women who are at the struggle end of the spectrum in terms of the kind of stress that women undergo, to be taking sick leave, to be using up all their leave, just trying to juggle circumstances to meet the new baby. I mean, I think a lot of stress would be taken out of those women's lives and that's a good thing as well.

I have read people saying that it would enhance women's participation in the paid workforce, and I think my comments go to that point. But I guess one of the more interesting questions is the degree to which it actually enables women to, if they have an effective supported time with that child and they're got adequate support in terms of kinder and child care, that's when you'd start to see, I think, a scaling up of women's participation. But the cost of child care these days is just phenomenally an obstacle for a lot of women and men.

MR FITZGERALD: Yes, that's true. Are there any other questions, comments? Thanks for that. We're looking forward to the more fulsome submission, and as you finetune some of the design features of your proposal that will be - - -

MS CROOKS (VWT): I'll still maintain that it's ultimately your job.

MR FITZGERALD: Yes.

MS MACRAE: We appreciate that it is, although ultimately the government's job.

MR FITZGERALD: I'm very grateful for you reminding me - - -

MS CROOKS (VWT): No, well, thank you for the opportunity.

MR FITZGERALD: I look forward to your submission being very helpful in helping us. Thanks very much.

MS CROOKS (VWT): Thank you.

MR FITZGERALD: That's good, thanks very much.

MR FITZGERALD: If you can give us your full name and the organisation you represent, for the purposes of the transcript.

MS BARDOEL (WLA): My name is Anne Bardoel. I'm president of the Work/Life Association.

MS CROZIER-DURHAM (WLA): And Marie Crozier-Durham, I'm assistant vice-president of the Work/Life Association.

MR FITZGERALD: Great, over to you.

MS BARDOEL (WLA): Thank you very much, we certainly appreciate having the opportunity to contribute to this really important public discussion, and we are representing an organisation called the Work/Life Association. What I thought we'd do is just give a very quick overview of what we're about in case you don't know, and you probably don't know what we're about.

MR FITZGERALD: A fair assumption.

MS CROOKS (VWT): We're shocked.

MS BARDOEL (WLA): The Work/Life Association is a not-for-profit organisation. Basically what we are about is promoting an informed discussion of a range of work-life issues, particularly to the business community. We have as part of our network over 700 members who regularly receive emails about various events that we run. We run a regular roundtable discussion program, we have six of those a year. They range to talking about a range of issues that are relevant to work-life. So it might be in terms of introducing forms of flexible work arrangements; it might be how to go about implementing a telecommuting program. So a range of issues that are about this integration between getting people's personal lives and integrating it with the needs of business.

So predominantly the people who are part of the network are from the business community. They're managers of businesses, owners of businesses, they come from small and large organisations, quite a number of them are in the human resource management area and will have responsibility for implementing work-life or flexible work arrangements in the organisations that they're in. So we provide a forum for discussion of a range of these issues and we're also represented on the Victorian government's working family council. I'm on that as president of the association. So that's where we're coming from.

In terms of the submission certainly the basic premise of where we're coming from is advocating the requirement for a universal regulatory approach to paid

parental leave in the context of achievement of work-life balance for Australian workers. It's also very much in line with what the values of our organisation are about. I think I'd like to just emphasise what we try and promote in terms of our discussion; that is, first of all, individuals have the right to a life where they can successfully integrate their responsibilities to both their paid work and also their families. We also see that the care for children and other dependents, for example, elderly parents, is something that should be valued. But also an important part of where we see our role in community discussions and debate is to identify practices at work that support people's personal lives and workplace effectiveness. Given those values obviously we see a very important role that the government plays in introducing paid maternity, paternity and parental leave.

What I would like to do is to sort of give you an overview of how we've arrived at our submission and the journey, just a brief discussion of the journey. When the issue of paid maternity was raised last time and coordinated by Pru Goward we, the association, facilitated a debate entitled Parental Leave: Can We Bear the Pain, pun intended. We had a debate, we had people from the Business Council and various unions and academics as part of that debate arguing the pros and cons. We're very conscious of having an informed debate about this. We had around about 70 people turn up to that debate from a range of areas. The general consensus there was people were very supportive of implementing a paid maternity leave scheme. There are different ways of doing it and people had different models but certainly that group was - people who attended that were supportive.

So it's a debate that we have regularly revisited since that time through the various forums that we have. In preparation for the submission that we have written up for this particular inquiry we sent out a call to our members in our network to get their ideas. I suppose this presentation is not - I mean I could give you all the ILO stuff and I'm an academic so I could give you that academic side. You've probably got enough of a sense of that. What we really, I suppose, think is important is to give you a sense of what this particular group of stakeholders are saying. They're a group of people across a network - around about 700 people - who are interested in these issues. We have been able to collate some of the key themes that have come through their responses.

Why we think that's important is it gives a sense of the fact that the social norms about this area have changed. We get a sense that people are ready, that they want this change. I hope what we're going to talk about, just in a brief sense, will give you that sense; something also that is important where we stand in terms of what we see as being the key objectives that any scheme in this area should take. I'll just briefly skim over these because I want to get to the sort of responses that we think are very important. But one issue is the health and wellbeing of mothers and babies, and particularly from a restorative leave perspective. The second is to enable fathers

to bond with their newborn babies and share in the domestic responsibilities.

We also see the importance of social equity for women, particularly in terms of addressing some systemic discrimination issues that may be indirect but are a result of pregnancy and childbirth; also to support women's choices, particularly ensuring that women are not disadvantaged during their employment through their intrinsic role in child-bearing. There's a lot of evidence from the research literature that indicates that giving people some paid leave is an important part of that.

Finally, the business case issues: I mean I work in a business school. There's a lot of evidence of linking staff retention to providing these programs so you don't actually lose the skill base in your workforce. These were the key issues that were identified by our network. They actually match a number of things that you'd see in the research in this area. But people raise the issue of health and wellbeing of mothers and babies. We had people talking about wanting to include fathers in the discussion, particularly young men were seeing that they were left out, I don't think that's intentionally or anything like that; issues to do with talent management, particularly in relation to women; financial security; the view of having a universal government-funded model; and also Australia's reputation.

So let's give you a couple of the quotes. I just give you the quotes to give you a sense of what is coming through. We got a number of quotes sort of around this issue of the health of the mother and babies. So things like:

It's really important because consistent and close contact between mother and baby in the early weeks is important for a range of health outcomes.

We had a whole lot of responses on that type of theme. We had a number of men respond. I was actually really pleasantly - well, not surprised but I thought, "Great, it's good to see men want to be part of this discussion." Here's one guy:

My focus is on the fact that as a father-to-be I am not entitled to any paternity leave for our baby that is due in six and a half weeks. As a partner in a relationship it is so important to establish that initial relationship as a family, whether that is through adoption or natural birth.

Many responses were around this issue of men wanting to be part of that and that was a common theme. Others mentioned the issue of link to talent management. Mothers do not want to trade off their careers either, nor should they have. Women study in relatively higher numbers than men and work hard to pursue their careers and they deserve to be able to raise a family and work if they wish to. Paid leave would allow this to occur without parents needing to return to work too early.

Another issue, and I think this is an important one to just look at, but this issue of people - and across the economic sphere - reporting a sense of financial vulnerability at this point and comments like this:

Demographic change for young people, including spending a longer time in education and increased difficulties in establishing secure employment and financial stability and the problem of housing affordability means that parents are forced back to work early or suffer extreme financial hardship if they have to self-fund maternity leave.

I'm sure you've probably heard presentations where we know when we look at, particularly in terms of maternity leave, who has access to it, you're more likely to have access to it if you're a professional, well-educated woman than if you're of lower income and lower educated. I think that's important because sometimes the debate focused around that people have some sort of choice about this issue, "You should stay at home and it's because you want to get on with your career." I think the reality for many low income women that's not a choice that they have, they have to go back to work and it's for the financial reasons.

The overwhelming majority of responses we received supported a universal government-funded model with funding to come out of the general taxation system. Marie and I were talking about the fact we're not going to give you the exact details, that's not our role but we do want to report back the feeling. So funding the parental leave scheme should be primarily the function of the government. The final theme that really came through was Australia's reputation and people were saying:

Look, if it's good enough for developing countries to have paid leave for parenting, why can't we manage it in our successful, lucky country here in Australia."

This is where I think - and Marie and I have been talking about it - the debate has shifted, even from what we saw in 2002, that people don't want to be out there with Lesotho and Swaziland as the only countries that don't have a paid maternity or parental leave scheme. They're saying, "We're a developed country, we really don't necessarily want to be out of step." Okay, the United States doesn't have it, but I think there is - and that certainly came through a number of the responses.

So what are we recommending? The association supports a paid parental leave scheme as an important measure for addressing health and wellbeing of families, demographic change and workforce participation. We are advocating that an Australian standard in this regard should be in line with the ILO Maternity Protection Convention which supports paid parental leave to 14 weeks. Specifically the government should legislate for 14-week paid maternity leave at a minimum wage, a

two-week paid paternity leave at a minimum wage and 52 weeks' unpaid parental leave that is funded through the taxation system.

This is my final slide and it will be my final comment and then please feel free to ask questions. But there is a sense in terms of our membership, it is time. Government has a role to play in this. It is something that as a community we need to invest in for the benefit of not just women, but families and the community in general.

MR FITZGERALD: Thanks very much for that as our last participants in the formal hearings in Melbourne, although we are doing a community forum in Dandenong tomorrow. A couple of questions, if I can. Let's assume you introduce the scheme as you've indicated, 14 weeks' paid maternity and two weeks' paid paternity, what would you expect to have changed in the workforce or in the workplace as a consequence of that? In other words, what's the behavioural change or maybe it's not even behavioural, but the attitudinal change that you expect to take place in the workforce as a consequence of the introduction of that scheme? Do you expect that more mothers will stay at home longer, will they return to the workforce more content? Just basically what do you think the end results of the introduction of such a scheme would be?

MS BARDOEL (WLA): I'll start off and Marie can add. I definitely would hope that the first result is people will be able to spend that initial period of time at home, recognising that in most cases it is going to be the mother. If you look at the United States which has a system of unpaid leave and then you look at Sweden which has paid, not surprisingly when you have a paid leave system, people stay at home. So the behavioural change which supports a whole lot of World Health Organisation stuff is that people actually get to spend the time because they are not pressured by financial concerns. The other aspect that I would say is that if it's something that is applied across the board in Australia, that it becomes part of the fabric. It's more likely to become a norm, people are more likely to feel comfortable with taking it if it's available to every Australian woman in terms of maternity leave, and men in terms of paternity leave.

MS CROZIER-DURHAM (WLA): I think one of the themes in the members' input was some practical things, like women are having babies when they are older, there are a lot more issues around the health of the woman or the level of energy, that sort of thing. There was a theme of concern about women's health. It was about that wellbeing, energy that sort of thing, the fact that older women are accessing things like IVF, these sorts of things have changed over the decade where we've been discussing it and those more contemporary themes came through.

MR FITZGERALD: Do you think the impacts will be differential between those

in low income jobs or those that are closer to the minimum wage compared to those that are on higher incomes or in the professional areas? One of the things we're looking at is obviously how people are accessing whatever leave entitlements they have at the moment and I suspect the picture will be a little bit different for different groups within society. But I was wondering, just given the surveys or your general discussions around these issues, whether you think that the impact of this scheme that you're proposing would play out differently, depending on the circumstances of the individual family.

MS CROZIER-DURHAM (WLA): I guess we have been very much impressed by the issue of such a small proportion of people on lower incomes having access to paid maternity leave, whereas presumably about 70 per cent of people on professional and higher income levels. So I guess that what we would see as different is that those sorts of more precarious and lower paid areas the observed impact will be, I would think, quite changed.

MS BARDOEL (WLA): That's why the focus of our recommendation is the minimum wage because we do know from the evidence that professional women are more likely to have access paid - not all of them obviously - and may be in a stronger bargaining position if they have a talent or skill that's well regarded in the organisation that they work in. Whereas I think it's really important from a social equity point of view that we have a broader coverage to those women who may not, you know, either have the negotiating skills or may not be able to have the industrial muscle, if you like, to actually foresee these issues to the table.

MS CROZIER-DURHAM (WLA): Also those women are often in industries which are highly - largely female. So I think that concept of the groundswell of these sorts of industries having to cope with this is something that we're mindful of as well.

MS BARDOEL (WLA): I think the other thing is there is no point in it being something that we put onto employers because if you put it back to the employers as having to fund this directly you will get a huge backlash, you will get discrimination against women, particularly in child-bearing years, and I think the small business community would - - -

MR FITZGERALD: Can I flesh that out a little bit. We've heard that before, but I suppose in a fairly tight labour market - and all the indications are that will be sustained for a very considerable period of time - can employers actually afford not to employ women of that age? Clearly your position is very consistent with what we've heard from most participants, but I wonder whether or not the changing nature of the labour market itself means that in fact employers, if they were required to pay in part or in whole, really would not be able to discriminate in that way. That would have been true or could have been true in a different labour market but that has

changed.

MS BARDOEL (WLA): You're right, it has changed, and women who do have valuable skills do get it at the moment, so somebody like me gets it, but somebody who works as a cleaner is not going to get it. Yes, if you want to have a two-tiered market where you just say, "What this is about is your economic strength in the labour market," we have that to a certain degree now but I don't want to live - and neither do a number of our members - in a community where we have that two-tier system. That's the issue. I see where you're getting at - - -

MS CROZIER-DURHAM (WLA): But I think we're also talking about some sort of system that's not necessarily flavoured by the absolute economic times in which we live.

MS BARDOEL (WLA): Yes, yes.

MR FITZGERALD: Okay.

MS MacRAE: Just in relation to those women who might have a very marginal attachment to the workforce or are in fact not in the workforce, how do you see - I take it from your presentation that you're talking about women who do have links to the workforce and your scheme would apply to them. What do you see for those outside the workforce and I guess where do you draw the boundary line if you're going to make a difference between those in and outside the workforce, given the difficulties of defining work these days?

MS CROZIER-DURHAM (WLA): I don't think we've had that discussion but personally - - -

MR FITZGERALD: I can assure you that every participant sits there and says the association's line and then they say, "And personally" - so you're in good company.

MS CROZIER-DURHAM (WLA): I would have thought that some of those issues around the minimum wage for that period of time would equate to something like the other resources that are made available. I would have thought that this sort of thing could be across the board for that number of weeks and could be accessible to women, whether they're in the workforce or not - I mean, it's sort of just projecting - and presumably some of those issues around financial differentials would be taken care of through the tax system if they're subject to taxation.

MR FITZGERALD: One of the issues here, I must say, for us at the moment - and clearly in the terms of reference - is the interaction between any paid parental leave scheme and the social transfer arrangements, including the baby bonus and others.

So part of our consideration is looking at how that all pans out.

MS CROZIER-DURHAM (WLA): My thought would be if it was a minimum wage it would end up seven thousand, you know, that sort of amount, and it's pretty similar to - - -

MR FITZGERALD: Yes, I know what you're saying.

MS CROZIER-DURHAM (WLA): My thinking is if the taxation kicked in it would be pretty much the same as the baby bonus.

MS MacRAE: In the initial slides there was quite a prominence given to the father's leave, and in your recommendation you had two weeks' paid leave. I'd just be interested in how you decided on that particular figure and any other thoughts you had behind that.

MS BARDOEL (WLA): We did have a discussion amongst ourselves and in fact quite a few of the responses were arguing for a parental leave scheme, such as in New Zealand, so that you had the leave for the primary caregiver. The 14 weeks was for the primary caregiver which could be for the mother or the father.

MS CROZIER-DURHAM (WLA): But I think in the end, because there was a predominance of comments about the health and wellbeing of the mother - I know that can be taken as probably pretty well getting away and going to work. But I think that is why we went down the line of maternity-paternity. I have to say that the issue of fathers making a much more vocal point surprised us, and also we had a few - remember these are people who are in the paid workforce and who are presumably in some sort of role where as a manager, an employer-employee, they are dealing with issues of diversity, equity, family-friendly work practices, whatever.

But the people who were personally involved obviously looked at these emails more seriously than others. We had fellows saying:

Our arrangement will be that we will share this parenting and look at my taking either slabs of time or working part-time.

I know that's not huge in the workplace but our perception is it's a growing trend. We probably saw more of it because of the demographic that we were dealing with. Those men were pretty keen to make their case, I'd have to say that.

MR FITZGERALD: Somebody was saying to us that the issue about paternity leave is a signalling issue. In fact a lot of this stuff is also about signalling. Some unions in fact have said to us that unless you actually have paid paternity leave

specifically identified, neither the employer will encourage it, nor will the employees take it. This was particularly in some of the heavy industries. They were saying that not only was it good that fathers were involved in the active parenting of the child at an early stage but actually you have to signal that it's okay, desirable, and you should take it, otherwise it won't happen. I don't know to what extent that is so but it certainly was an interesting proposition.

MS CROZIER-DURHAM (WLA): Also there are issues around the male often being probably more likely to be the higher paid person in the partnership. So my reading of the overseas literature is that has often been a deterrent. You know, you sort of use it or lose it type of thing, in terms of the - - -

MS BARDOEL (WLA): Such as in Germany.

MS CROZIER-DURHAM (WLA): Yes. I guess as a bit of a fundamental in relation to the issue of work-family or work-life balance, some of those issues around changes to the distribution of domestic arrangements, we would see that as part of the whole thing of an improved work-life, work-family balance.

MS BARDOEL (WLA): Just to pick up on your point, the fact that it is important if you codify it, it actually sends a message that it is something you can do, there is some acceptance. You're not going to get total change on this quickly, but I think it certainly enables men to feel more comfortable taking it, apart from just the financial thing, the fact that it's there, it's a right, rather than something that might be negotiated through an industrial agreement.

MR FITZGERALD: Of course, the trade-off is if you have a scheme that has both maternity and a smaller component for paternity broadly defined, you limit one of your other objectives which is choice. This is a trade-off that we're looking at at the moment. With some schemes, anybody can take it. However, we've been encouraged to the view that in relation to maternal wellbeing and child wellbeing that in fact it's very important to quarantine at least some of the leave specifically to the mother. It's an interesting issue for us.

MS BARDOEL (WLA): Absolutely agree.

MS CROZIER-DURHAM (WLA): That was our discussion yesterday.

MS BARDOEL (WLA): We had a lot of discussion about it, but in the end we came down to the ILO recommendation for that very reason, because there are clear health reasons why you want the woman to actually have some time available. I mean, ideally I'd like to say, "Look, can we give 14 weeks to the father as well." I just don't think from a pragmatic point of view we're quite at that point here in

Australia like some of the European countries would be.

MR FITZGERALD: Sure.

MS MacRAE: I guess if we could talk your nirvana, would you see your proposal as being something of a first step?

MS BARDOEL (WLA): Yes.

MS MacRAE: So get the 14 weeks in, see how that goes and then maybe longer - and is that partly because you have a sense from your membership that people would have a preference to stay home longer but it's financial pressures sending them back or do you feel that there are other considerations, mother-child bonding or whatever that really requires more than 14 weeks, or what would be driving you to that view?

MS CROZIER-DURHAM (WLA): We certainly see women taking a good portion of unpaid maternity leave if that has been available. But a lot of our discussions around flexible working is about women easing back into the full-time workforce through various flexible work options. I guess we've got a view that some of those issues need to be part of it. For some - and particularly for those who have got access to good child care in whatever form - the option of a fairly quick return to work is there, but for many - for either that or for personal reasons - there seems to be an Australian thing about part-time work after, for a while anyway - - -

MS BARDOEL (WLA): Up until the first five years of a child's life.

MS CROZIER-DURHAM (WLA): Yes, which is a bit different from a lot of the European countries.

MS MacRAE: Have you given any thought to the idea - I mean, I'm assuming, it might not be a correct assumption but the 14 weeks, you'd be proposing that you'd have to take that leave to get it. Would you think it might be a reasonable suggestion that if people were to return to part-time work in that period that they might still be entitled to the payment or would you want that 14 weeks to be taken as leave to be entitled to the payment?

MS BARDOEL (WLA): It's a good question that. We haven't really thought about that. I'd have to say that part of the model, I'd like to look at guidance from other models that are out there. My personal view - and I should preface it - would be, yes, if you've been working full-time and you met some sort of eligibility criteria, or whatever that might be, that you get the 14 weeks and you can come back and do some part-time. I don't think you should be penalised if you did come back, from a financial point of view. I think this is the place where if there was general agreement

that we have the paid maternity leave, paternity leave, and then the unpaid leave aspect, then we've really got to go and look at how that nuances are being handled in other countries. Obviously we want the Australian take on that but I'd say, yes, but you're talking to someone who really wants to push this. What I think is important is that you encourage people to take some time off. I don't think we want to go to the American system where people take very limited time off. I don't think it's good for individuals, I don't think it's good for families, I don't think it's good for the community.

MR FITZGERALD: One of the issues that has emerged is an alternative model which is effectively that whether you're in or outside of the paid workforce you receive the same amount, as distinct from having a scheme that deals with - that's attached to leave, and another one out there. In that model, some people are saying that irrespective of whether you take the leave you should be entitled to the payment. I was wondering whether you have a view as to whether or not the attachment to the leave is critical. It's an interesting issue. Some people would say the whole purpose of parental leave is in fact to take leave.

MS BARDOEL (WLA): Yes. Look, I'm just going to revise what I've said. I mean, I think you actually want people to take the leave, yes.

MR FITZGERALD: You can think about it.

MS BARDOEL (WLA): No, I would agree.

MS CROZIER-DURHAM (WLA): A couple of the responses were the concern about the fact that now people with paid maternity leave work right up till labour day, and a concern about the impact of that on particularly older women's health in terms of recovery and so on after. So I think to reflect some of the views of our network there was that sort of view that maybe we really need to get back to this looking after mum and baby. Just to reflect on what they said, that sort of notion of the leave being about women's health and encouraging women to consider these sorts of issues - - -

MS BARDOEL (WLA): It's important to actually have the leave for restorative purposes.

MS MacRAE: Potentially then - if I'm reading you right - maybe allowing some of that to be taken prenatal rather than just postnatal.

MS CROZIER-DURHAM (WLA): Well, for many of the paid schemes at the moment, of course, you can elect to take up to six weeks pre-birth and after, or whatever it happens to be. Yes, I guess in line with what people are saying that may

be part of what some of our people are saying.

MR FITZGERALD: It would be true, wouldn't it, that if you have something that required people to be in the workforce for some level of time during the preceding 12 months prior to the actual birth of the child, you could argue that in relation to the prenatal period that would be picked up by other leave arrangements or what have you.

MS CROZIER-DURHAM (WLA): Yes.

MR FITZGERALD: If you're talking about a government scheme - - -

MS CROZIER-DURHAM (WLA): Yes, that's true.

MR FITZGERALD: - - - it's difficult for the government to make a payment in advance of the birth.

MS CROZIER-DURHAM (WLA): That's right.

MR FITZGERALD: That's helpful. From our point of view, going back to the overarching concept - and I come back to it, I suppose, in relation to the responsibility of employers and employees in this arrangement - you've obviously said that your members support a government scheme, but the surveys that we've heard indicate that the community is prepared to look at a scheme that has contributions by employers, employees and the government, and we've had a couple of proposals in relation to that, the Julia Perry model and others have put that forward. I was wondering why you believe that a preferred model is a wholly government-funded model, as distinct from one in which there was contribution by the three parties, in some senses. Now, how that would be constructed is a difficult and complex issue, but just as a philosophical position you've obviously come to a view - or your members have come to a view - that it's the government's responsibility. Others have come to us and said it's a bit of each way.

MS CROZIER-DURHAM (WLA): I guess - and there hasn't been the discussion - my view would be that for many people the employers will be picking up a gap, and it is those employers who have possibly a lot of women, and women on or around the minimum wage, for whom there won't be that sort of dilemma, it will be basically picked up by the scheme. I think the reality will be - and particularly in the tight market argument - that employers will be making some contribution. But in order to get that universal coverage, we would be saying a full minimum wage government fund and then the others would - - -

MS BARDOEL (WLA): We're certainly not advocating that the government

should be paying - if you're a highly-paid executive the government is picking up your bill. We're not advocating that.

MR FITZGERALD: No.

MS BARDOEL (WLA): Marie is right - I mean, this happens in overseas countries - that gap normally is often picked up by the employer. But we do want to look after the people that - - -

MR FITZGERALD: You're not recommending that there be a mandatory top-up by the employer?

MS CROZIER-DURHAM (WLA): We're not, no. The reality will be - - -

MR FITZGERALD: That would be a matter between the enterprise bargaining - - -

MS CROZIER-DURHAM (WLA): - - - that it will, but that's the position.

MR FITZGERALD: Sure. All right. Are there any other final comments you'd like to make?

MS BARDOEL (WLA): Just thank you for the opportunity. We really value this opportunity to present the views of our membership and we look forward to seeing the outcomes.

MR FITZGERALD: That's good.

MS BARDOEL (WLA): It's time.

MR FITZGERALD: We look forward to receiving a written submission.

MS BARDOEL (WLA): Yes, we've just about finished that.

MR FITZGERALD: That's terrific. Thank you very much for that.

MS CROZIER-DURHAM (WLA): Thank you.

MR FITZGERALD: That concludes our hearings in Melbourne and we adjourn the public hearings until next Tuesday when we resume in Sydney.

AT 3.15 PM THE INQUIRY WAS ADJOURNED UNTIL
TUESDAY, 20 MAY 2008

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