

SOUTH AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

CASE NO: 2821 of 2004

WITNESS STATEMENT OF SUZANNE HAMMOND

My name is Suzanne Hammond and I am currently employed as the Women's Industrial/Research Officer in the Federal Office of the Community and Public Sector Union-State Public Services Federation Group, a position I have held for three years.

QUALIFICATIONS

1. I have a good knowledge of women's industrial issues. I have researched, published and been employed as an industrial relations academic in Australia, the United States, United Kingdom and New Zealand. I have represented the Women's Electoral Lobby and the National Pay Equity Coalition in advocating for gender equality in the workforce. I have represented these organisations

in the Senate Committee Inquiries into the Workplace Relations Act, the New South Wales Pay Equity Principles Test Case, the Senate Inquiry into Workplace Relations Amendment (Paid Maternity Leave) Bill 2002 and the Human Rights and Equal Opportunity Commission Inquiry into paid maternity leave 2002. I have also been called upon to advise policymakers at both a State and Federal level on issues of women's workforce experiences. I am a member of the Victorian Industrial Relations Society Women's Committee. I am listed on the United Nations Convention of Elimination of Discrimination Against Women, Australian Women's Honour Role for my work in women's industrial issues.

Gender equality in the Workforce

2. While women's labour force participation rates have increased both in Australia and internationally equality in the workforce still eludes women workers. There have been many positive

developments in women's employment. Women are better educated, have access to a wider range of occupations and are breaking into senior and management positions. However while women's employment has grown, much of this growth has been in casual and part-time work, and in insecure, low paid and informal sectors of the workforce.

3. Some policy makers and governments have tried to address the issue of gender inequality by introducing equal pay and equal opportunity programs for women workers but many inequalities still persist. Women are still paid less than their male counterparts and they are channelled to low paid, insecure forms of employment. Women hover around the lower and middle levels of many occupations and they are poorly represented in training schemes and professional development programs.
4. There are many reasons why gender inequality persists but we can link much of this to the social, economic and biological affect of childbirth and child rearing. Women still bear much of the

responsibilities of family and child caring. When we examine women's wages, promotions and workforce participation we find that in childbearing years women's employment suffers. The birth of a child imposes immediate financial pressures on women and their families and often results in their dislocation from work and impedes their future work experience. In order to advance equity, security and human dignity women workers need to be able to resolve the problems associated with childbearing and workforce participation. Paid maternity leave promotes workforce equality and improves the health and safety of mothers and their children.

5. In Australia most women workers have access to unpaid maternity leave through a myriad of state and federal industrial laws and awards. However the situation with paid maternity leave is much different. Paid maternity leave is only available to less than one third of Australian women workers. More than 120 countries around the world provide paid maternity leave through either the social security system, employer or insurance funded schemes. Of the women in Australia who do receive some benefit, they receive

it through employer-funded schemes negotiated by trade unions; they usually work in the public sector and in large corporations. We would argue that Governments as employers have a responsibility to provide entitlements that are desirable and beneficial to the social good and that they set good standards for other employers to follow.

6. Paid maternity leave is one measure in re-dressing gender inequality. It is a way of achieving social, political and economic equality for women. Childbirth is a significant event in life and it has a dramatic impact on the working life of women and their families. The provision of paid leave is an important maternal and child health measure that assists in the mother's physical recovery and the health and well being of the child.

7. Paid maternity leave is an important measure in achieving equity in the workforce. The birth of a child affects women's employment experience. It has a detrimental effect on their wages, their promotion and training and on long-term retirement benefits.

According to Chapman, Dunlop, Gray, Liu and Mitchell the cost of childbirth and child rearing has a significant impact on women's lifetime earnings and on retirement income. They estimate that a first child for a degree holding mother results in a loss of \$239,000.00 and for a woman not completing high school the lifetime earnings loss is approximately \$167,000.00 (Chapman, Dunlop Gray, Liu and Mitchell 1999).

8. Jaumotte's study of OECD countries finds that female participation in the labour force is affected by flexibility of working-time arrangements, taxation of second earners childcare subsidies, child benefits and paid parental leave. She finds that Australia rates seventeenth out of twenty countries and confirms that Australian inferior policies for working mothers inhibits their labour market participation (see Pocock 2004 p9 Labour Market Deregulation and Prospects for an Improvement in Australia Work/Care Regime).

9. Long term detachment from the workforce results in a greater reliance on the welfare system (Gregory 2002), a stifling of career progression, negative effects on retirement incomes and shifting women from contributing to the taxation system to be reliant on the welfare system.

10. It is appropriate for the Industrial Relations Commission to include and maintain proper standards of paid maternity leave in awards.

11. Paid maternity leave is also of benefit to employers and consistent with good government policy as it encourages the return to work, reduces recruitment and training costs, improves staff morale and productivity and maintains institutional memory and knowledge of the organization. It also has beneficial effects on the long-term labour market and labour supply.

International Obligations:

12. Paid maternity leave is recognised in international instruments as a measure that prevents employment discrimination against women

on the grounds of marriage of maternity and to ensure their effective right to work. It is also seen as a measure to defray the costs of having children across society without imposing loss of former employment, seniority or social allowances. Paid maternity leave is a positive measure to assist in the combining of work and family life.

13. In June 2000 the International Labour Organisation adopted a new standard for Maternity Leave. Convention No 183 and Recommendation No 191 sets a standard that all married and unmarried employed women receive 14 weeks paid maternity leave with no length of service condition. It also has provision for maternal health and employment protection and for protection against discrimination. ILO Convention 183 aims at 'promoting equality of all women in the workforce and the health and safety of the mother and child'. As yet Australia has not ratified this convention.

Paid Maternity Leave Provisions in Public Service

Awards and Agreements:

14. Maternity leave was first enacted in the Public Service Act in 1966 and in 1973 the Maternity Leave (Australian Government Employees) Act provided 52 weeks unpaid leave, with 12 weeks full pay regardless of length of service or employment status. In 1978 the Act was amended to restrict leave to permanent employees who had 12 months continuous employment. Now public sector worker entitlements to paid maternity leave varies from the Commonwealth and different State Governments. This has led to a situation of inequality between public sector workers.

15. The table below has been compiled using the major industrial instruments for public sectors in the Commonwealth and each state jurisdiction. It indicates wide variations in leave entitlements. As can be seen South Australia lags well behind Federal and other States in paid maternity leave entitlements.

Award/ EBA Provision s	C'wealt h	Vic	Qld	WA	Tas	SA	NSW
Paid Maternity Leave	12 wks	14 wks	6 wks	8wks	12 wks	4-8 wks	14 wks

The table indicates vast inequalities for state public sector workers. This can be illustrated by looking at the South Australian public sector as an example. Apart from entitlements in specific awards and agreements, South Australian public sector workers covered by this case have an entitlement to only four weeks paid maternity leave. Other South Australian Government employees have recently been granted increased

entitlements; Nurses and Police in South Australia now have 8 weeks paid maternity leave.

Benefits outweigh small Costs

16.To bring the workers in line with the international and national standards would mean that the state government would have to fund the leave from State revenue. However consideration of workforce profile and the take up rate of paid maternity leave indicates that it will not impose a heavy burden on State revenue.

17.The take up rate of paid maternity leave is a further point of consideration. While it is difficult to obtain accurate statistics on the use of paid maternity leave we argue that the proportion of the workforce on paid maternity level is very low. In the Commonwealth Public Service in 1988 about 3.3 per cent of the female workforce and approximately 1.3 per cent of the total workforce took paid maternity leave. In the New South Wales

public sector approximately 2.5 per cent of the full-time workforce and 5.5 per cent of the part-time workforce are paid maternity leave in one year. In South Australia in the year to 2004 608.8 Full-time Equivalents took paid maternity leave which is approximately 3 per cent of the female FTE workforce.

18. Furthermore the low level of usage is a reflection of the demographic profile of the public sector workforce. While women comprise approximately 63 per cent of the South Australian public sector workforce they are more likely to be contract and short-term contract employees. Women are also 83.2% of the public sector part-time workforce. Only 29.4 per cent of executive positions are held by women and women are congregated in the lower and middle rungs of the pay scales. The public sector workforce is getting older and Australia has a birthrate, which is expected to decline to 1.6 per woman by 2005. The median age of female employees in the South Australian Public Sector is 43 years. Women are most likely to have children when they are between

the ages of 30 and 34. A significant majority of children are born to mothers aged 25-34.

19. When one considers workforce composition, take up rate and the existing costs of the current paid maternity leave entitlement any increase in this entitlement will not impose a substantial cost to State revenue and in actual fact costs will be miniscule when assessed in terms of the benefits to the State.

Addressing Future Labour Market Demands

20. The demographic profile of the Australian workforce indicates an aging workforce and increasing labour shortages. The South Australian public sector workforce is ageing with a high proportion of its current workforce expected to cease employment in the next 10-15 years. In order to attract and maintain an efficient and productive workforce employers will need to assist workers to

balance their work and family commitments. Sensible labour market policy needs to address these expected labour shortages and thereby dictates improved work and family entitlements such as paid maternity leave.

Private Sector Entitlements:

21. The South Australian Government also lags behind many private sector entitlements to paid maternity leave. Private sector employers are improving maternity leave. In the last year employers increasing maternity leave include Holden (14 weeks), Brisbane City Council (14) Alice Springs Town Council (14) John Holland Group (13) IBM (12) Telstra (12), Zurich (12) Smorgon Steel Mills and Wire Products (12) Colonial First State Investments (12) ANZ (12) and Qantas (10).

22. In the higher education sector, entitlements are increasing in order to encourage equal employment opportunities. Recent enterprise

agreements at universities secured 36 weeks at Sydney University and ACU, 20 weeks at Macquarie University and up to 26 weeks at University of South Australia, Adelaide University and Flinders University.

23. Public sector employers have an obligation to maintain appropriate employment standards and take a leadership role in influencing standards in the community. The current entitlement falls well below international and community standards and undermines Government commitments to equal employment opportunities.

Paid maternity leave is good economic and social policy:

24. Paid Maternity leave is not only sensible labour market and economic policy but is justifiable on the grounds of it being a measure to address discrimination in employment. The Human Rights and Equal Opportunity Commission Report *À Time to*

Value” found that “paid maternity leave is one measure that supports women moving between work in the home and the world of paid employment. In international conventions, paid maternity leave is proposed as a means of addressing workplace discrimination and promoting equality between men and women. The South Australian Government has an obligation to maintain proper standards. The International Labour Organization Maternity Protection Convention No 103 specifies that 14 weeks of paid leave should be available for women in paid work. In June 2000 the ILO adopted a new Maternity Protection Convention Number 183 and Recommendation 191. Convention 183 applies to all employed women and provides for a minimum of 14 weeks maternity leave. And Recommendation 191 encourages states parties to extend the period of leave to 18 weeks. The Organization states that a principle objective of paid maternity leave is ...to further promote equality for all women in the workforce’.

The Commission's important role in setting fair and equitable labour standards.

25. The Australian industrial relations system has a long history of setting fair and equitable labour standards. It is the role of the Commission to set fair and appropriate conditions of employment, to give effect to proper standards and to redress discrimination in employment conditions. Increased paid maternity leave is good social and economic policy and is an important measure in addressing gender inequalities that exist in the workforce.