1. Maternity Leave In The Finance Sector

Overview:

Workplaces in the finance sector have a reputation for being “family friendly”. The major employers in the sector – the large banks and insurance companies, provide a range of work and family provisions. Most of these have been achieved through enterprise bargaining, since the mid to late 1990s.¹

Available provisions include personal carers’ leave, family leave, pre-natal leave, career break, job share, work from home and paid maternity leave. More recently, broader forms of community leave and pre-natal leave for partners have been negotiated by the Finance Sector Union. Attached at Appendix 1 is a summary of the main work/family provisions achieved in major finance sector workplaces, at June 2000.

Demographics:

At May 2002 there were 344 900 workers in the finance sector – across the 3 ANZIC categories of Finance, Insurance and Services to Finance and Insurance. The majority of employees in the finance sector are female - 52.6% of the workforce is female and 29.1% of all female employees work part-time. Of the total part-time workforce, 79.8% are women.²

Precarious employment has been an increasing feature of the finance sector since the early 1990s. Mergers, takeovers and general restructuring resulted in 55,497 lost jobs in the four major banks alone, over a 10 year period between 1991 and 2001. This led to a rise in short-term contract or casual work – most obviously in new centralised contact/customer service or call centres, which have grown as the traditional retail bank or insurance office have closed. Still, the finance sector is also characterised by a high rate of intra-industry turnover – employees tend to stay within the industry. For example, in the 12 months to February 2000, 60,400 finance sector employees changed jobs – 74% of these changed to a new job within the finance sector – the highest level of intra-industry mobility of all Australian industries.³ This high rate of intra-industry turnover has been consistent in figures released by the Australian Bureau of Statistics, since 1996.

The industry as a whole then stands to benefit from investment in skill retention and training. Portability of entitlements, including qualification for maternity leave, should be a key industrial issue in the finance sector. However, the reality of fierce competition between employers renders this difficult to achieve.

¹ The finance sector has negotiated a range of work/family provisions since the formal introduction of enterprise bargaining in 1991, and was amongst the first industries to negotiate a period of paid paternity leave. The sector has also featured strongly in Federal Government Work and Family Awards.
There is no doubt that the major employers in the finance sector – the “big banks”, insurance companies, superannuation funds etc., have the capacity to pay for maternity leave.\(^4\) However, there are many smaller workplaces, such as credit unions, where financial and human resources are constantly stretched.

Further, there are many low paid workers in the finance sector and the gender pay gap is one of the largest across industries. In February 2002, Average Weekly Ordinary Time Earnings (AWOTE) for all full-time adult females was 66% of that for men in the finance sector. The same ratio of earnings applied to Average Weekly Total Earnings between men and women.\(^5\)

The largest occupational grouping in the sector belongs to Intermediate Clerical Sales and Service employees – around 35% of the total workforce. (In Finance and Insurance in 2002, 50.2% of female employees were classified in this occupational category)\(^6\). These are not highly paid employees, and if they work in smaller companies, they must meet the costs associated with maternity and any maternity leave, with no financial assistance from their employer.

**Incidence & Features of Paid Maternity Leave:**

Appendix 1 sets out the major banking and insurance employers who provide parental leave and other family friendly entitlements. In the major banks, 6 weeks’ paid maternity leave is the standard. The Commonwealth Bank is the exception, having provided 12 weeks’ paid maternity leave since 1973, (inheriting the higher standard of the public sector of which it was then a part).

Even where 6 weeks is a standard, only Westpac/Bank of Melbourne and St. George/Bank SA amongst the banks, and AXA, AMP, CJU and Zurich in Insurance, provide 6 weeks paid leave *at the time of taking leave*. Both ANZ and National Australia Bank (NAB) split the payment – 3 weeks at the time of taking leave and 3 weeks upon return. At ANZ you must work continuously for 10 weeks upon return to work, before receiving the 3 weeks remaining payment.\(^7\)

There are various other anomalies in respect of paid maternity leave throughout the sector. For example, one large insurance company provides paid leave after 2 years continuous service, and another pays the whole 6 weeks entitlement at the end of the period of leave, upon return to work.

The FSU has a current policy to bring all major employers up to a minimum of 14 weeks paid maternity leave, through enterprise bargaining, and to extend the period of concurrent leave for mothers and fathers to a minimum of 3 weeks.

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\(^4\) The “big four” banks for example made a combined profit of $8118 million in the financial year 2000/01. ANZ, National Australia Bank, Westpac and Commonwealth Bank together increased profit by 336% between 1993 and 2001. Source: *Bank Annual Reports*

\(^5\) ABS Average Weekly Earnings, (Catalogue No. 6302), February 2002.


\(^7\) At July 2002, it was likely that NAB will agree to pay the full 6 weeks paid maternity leave “up-front”, in the forthcoming enterprise agreement. ANZ have rejected this move to date.
The impact of paid maternity leave in our industry cannot be divorced from the other work/family initiatives provided by employers. In particular, the situation for women on return to work can have a large impact on quality of work life. Flexible hours, the ability to work part-time or from home, and to take leave as needed to care for a sick child or attend to other responsibilities, all affect the ability to reconcile work and home responsibilities. Provisions to meet these needs are widespread in our industry.

However, a recent study of the impact of work/family provisions in the finance sector found that the existence of such provisions is not enough. Employees in the sector are now working such excessive hours, that they are often unable to take advantage of these provisions.\(^8\) The vast changes to the sector over the last 10 years, including the affects of understaffing, a commensurate rise in workloads and the need to meet workplace targets, have meant that finance sector employees feel great pressure to be at work as often as possible\(^9\). The pre-natal period of work, pregnancy and return to work are all affected.\(^10\)

Each of the major banks can demonstrate higher retention rates for women who have been on paid maternity leave, since its introduction in the mid-late 90s. However, none can readily isolate paid maternity leave as the key factor for retention, and some suspect that the provision of a range of work/family initiatives, (including paid maternity leave), provide attractions for women returning to work. This is borne out by the experience of the Commonwealth Bank, where paid maternity leave has been in place for nearly 30 years, but where retention rates only markedly increased from the mid-90s, when other work/family initiatives were negotiated; (see overleaf, \textit{The Business Case for Paid Maternity Leave in the Finance Sector}).

\textbf{The Key Issues for Paid Maternity Leave in the Finance Sector:}

A recent survey of FSU members on maternity leave highlighted some key issues around introducing or increasing paid leave at the workplace (see attached).

The Finance Sector Union has conducted an on-going debate around maternity leave for some time. This debate has produced policy and informed enterprise bargaining claims around maternity leave. The following key issues have been identified:

- The achievement of the standard 6 weeks paid maternity leave in our industry has occurred at a varying pace. The anomalies which remain, even where 6 weeks is agreed, suggest that future achievements in paid maternity leave through bargaining, will be incremental.
- Large employers in the finance sector have the capacity to pay for a minimum of 14 weeks maternity leave.
- The majority of workers in the finance sector are low paid. Where there is minimal or no entitlement to paid maternity leave, these workers experience

\(^8\) In 1997, ABS overtime figures demonstrated that finance sector workers were working 1 million hours overtime per week. \textit{Working Arrangements}, (Catalogue 6342.0), Unpublished data August 1995, 1997.


financial hardship in taking time from work to give birth and spend a period at home with their child. This is borne out by the results of the recent FSU survey of members on maternity leave, (attached).

- Portability of service and entitlements would be an attractive option in our industry, but one which would be difficult to achieve. FSU supports the abolition of the 12-month qualifying period for maternity leave in agreements and in any future statutory right to maternity leave.

- FSU members have access to a range of work/family provisions through enterprise agreements. In smaller workplaces, these provisions are less likely or non-existent. A statutory right to paid maternity leave would provide equity for women in smaller workplaces with limited bargaining power, and would lessen their vulnerability to financial hardship should they choose to have a child.

- Options for return to work must be enhanced in our industry to ensure that women can continue to work and meet the needs of young children. FSU is pursuing the introduction of a greater period of concurrent leave for partners, at a minimum of 3 weeks upon the birth of a child.

- The FSU submission to the HREOC Inquiry into Pregnancy in 1999, raised issues around quality of work life and discrimination against pregnant workers in the finance sector. The results of the 1999 survey which informed this submission, and the current survey around paid maternity leave, demonstrate that a holistic approach is needed for working women in respect to pregnancy, maternity leave and return to work. Statutory protections would support the current provisions of both the Sex Discrimination Act and Workplace Relations Act, and overcome the limitations inherent in enterprise bargaining, particularly in small business.