Chair - Professor Belinda Probert

I would now like to ask Marion Lau who is the Chairperson of the Ethnic Communities Council of Victoria to give her perspective.

Marion Lau - Chairperson of the Ethnic Communities Council of Victoria

Thank you Belinda. To the Hon. Mary Delahunty, Pru Goward, Ladies and Gentlemen, I would like to thank this organisation for inviting us to participate in today’s discussion and I would also like to acknowledge the traditional custodians of this land the Wurrundjeri people.

The Ethnic Communities’ Council of Victoria was established in 1974, and is a non-profit voluntary organisation concerned with the goals and aspirations of ethnic communities throughout Victoria. At the moment the Council has approximately 180 member organisations, including seven regional ECC’s who work together on issues of mutual concern – and today that includes access and equity of government services; social justice; welfare; education; racism; population; immigration; cultural maintenance; health; and aged care – just to name a few.

Maternity leave is an important issue, and one where I believe the views of my Council can contribute. I would like to focus my comments on how we could develop a benefit that is equitable for every woman participating in the workforce, including those who are seeking employment. We need to develop a single system that is attractive and will assist all women – those on a good income, those who receive the minimum wage, the self-employed, the unemployed and those with casual and/ or part time jobs.

Today’s workplace is a very fluid environment. Job turnover is high and it is a myth to believe that from the beginning of a woman’s employment history, every job movement is a move upwards. The labour market doesn’t work that way and we as a community have to recognise this.

HREOC and the Democrats both argue that eligibility should be based on 12 months continuous employment. I would like to suggest that alternatives be considered, ones that recognises and include professional, skilled and capable women who maybe unemployed or self-employed. They too should be part of the ‘paid maternity’ category. Options might include allowing the previous three years to be considered when determining if these women are eligible to receive the maternity payments, that the line in the sand be drawn to include women who have been employed for an agreed proportion of the past 36 months.

This must be a forward thinking legislation and recognise that these issues will still be with us in times of high unemployment as well as times of prosperity, to the best of our ability we must plan for all scenarios. Women who are self-employed or employed on a contract basis are unlikely to have access to paid maternity leave. The high proportion of women in casual employment and the increasing rate of casual employment in Australia, mean that the ability of some women to access even unpaid maternity leave has deteriorated.
To include self-employed and unemployed, I am sure you are thinking, she wants to government to pay for it all. Well, I do believe the government should administer the funding, and that it should come out of our tax. If necessary a levy similar to the Medicare levy could be introduced. All income earners would then contribute to this funding, regardless of gender, age or rate of income.

Further debate is required on the actual payment could come from either the employer or the government. For the majority of women who will take it as leave within an existing job, they should receive it as their normal wage. It should be considered as salary income for recipients, with existing tax, superannuation and other relevant laws to apply. This is to preserve the employment continuity of beneficiaries, to the benefit of both employees and employers. Unpaid maternity leave already provides for continuity of employment. Benefits only continue to accrue for those on paid maternity leave.

This will also enable some employers, who would like to add incentives to the tax payer scheme to do so, and present it to the employee as a single periodic payment. The government contribution would be considered a ‘minimum’ payment to all those eligible. This recognises the initiatives of many companies that currently have maternity leave payments, and simplifies the process to ensure these benefits do not diminish.

This brings us to the topic of what should determine rates at which maternity leave payments might be sent. I would like to suggest the equivalent to the woman’s wage, capped at the minimum wage. Companies, and many of them already do, can provide a more generous amount, but for the government subsidized scheme, there should be a cap. Options considered need to ensure that those women who have a long and strong working history are not disadvantaged by this benefit.

This leave entitlement is not a ‘baby bonus’ it should be created as a work entitlement. The health and social benefits to mother, child and society are irrefutable.

I would like to finish by saying a few words about equity. Much of the debate so far has been about ‘highly skilled women’ – so that we don’t lose their talents in the workforce. And it is true, we do need to create systems to ensure these women have every opportunity to return to the workforce as soon as they feel they are ready. We also have to create a system that includes the women in all sectors including the hospitality industry, manufacturing and service sector. These women contribute greatly to our community and the fabric of our society. The type of maternity leave scheme we develop must have these women in mind, that we must make sure benefit from this legislation.

Around 40% of women employed on a casual basis have less than 12 months service. For women in permanent employment, 16% of part time employees and 18% of full time employees have less than 12 months service. These trends are continuing with the high volatility of a labour market in an era of minimal government intervention.

A recent UK study found that low skilled mothers forego substantially greater amounts of lifetime earnings than mid and highly skilled women when they take time out to have children. For many of these women, employment is fluid. Much cleaning
work is contract based, and the type of jobs available in these industries doesn’t offer long service leave. These are important considerations and we must make sure the legislation works for these women as well.