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Submission to: Productivity Commission Inquiry into PAID MATERNITY, PATERNITY AND PARENTAL LEAVE

June 2008

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"I believe that paid maternity leave is very important ... as an acknowledgement that the mother/father's new role as a parent is recognised as a valued and important role that deserves support/remuneration."

- Female Civil Engineer from New South Wales

"Whilst I am not intending to have children and would have no direct gain from such a scheme – I think access to paid parental [leave] is one of the hallmarks of a socially advanced society and fully support its introduction into the workplace."

- Female IT Professional from Victoria

1. Background on APESMA

- 1.1. The Association of Professional Engineers, Scientists and Managers, Australia (APESMA) is a union for professional employees registered under the *Workplace Relations Act 1996*. The Association has over 20,000 members and 10,000 affiliate/student members in all states of Australia. APESMA members are predominantly technical professionals including engineers, scientists, veterinarians, surveyors, architects, pharmacists, information technology professionals, managers and transport professionals.

2. Summary and Recommendations

- 2.1. APESMA is pleased to be able to provide a submission to the Productivity Commission inquiry into paid maternity, paternity and parental leave. The Association, however, is disappointed that Australia has not yet introduced a statutory entitlement to paid parental leave given the recommendations of previous inquiries and the continuing impact of its absence on families, workforce and industry.
- 2.2. It is in Australia's economic and social interests to introduce a statutory entitlement to paid parental leave. The Productivity Commission has the opportunity to recommend a change which will impact positively on the lives of families, begin to redress systemic discrimination faced by many women and create positive economic outcomes including greater retention of technology professionals in a time of skills shortage.
- 2.3. Women are leaving the engineering profession faster than men and feedback from APESMA members would indicate that one of the major reasons for this is the difficulty faced balancing work and family. A statutory entitlement to paid parental leave is an essential element in what must be a broader strategy to address this issue. Without action Australia will continue to lose the skills and experience of many highly trained women at a time when this can not be afforded.
- 2.4. There is a global market for technology professionals. Currently Australia is only one of two OECD countries that does not have comprehensive access to paid parental leave of some kind. The Productivity Commission has the opportunity to recommend a scheme on par, or that compares favourably with, those available in other OECD countries.
- 2.5. APESMA research indicates that many women who are technology professionals do not have access to any paid maternity leave and of those that do, the duration available varies. At the request of the Association, members recently provided stories of their experiences of the importance of paid leave for their household finances, care of their child, involvement of

fathers and for their career. Members also told the Association of problems they faced accessing entitlements, workforce cultures that weren't supportive of family friendly practices and a lack of options such as part-time work when going back to work. In their stories members also informed of the potential impact of taking leave on their career and some possible solutions to this problem.

We hope that the stories of the APESMA members provide the Commission with greater information about the issues facing the technology professions including the impact of paid parental leave on both technology professionals and the economy more broadly. APESMA urges the Commission to consider the recommendations made in this submission.

2.6. APESMA urges the Commission to recommend paid parental leave as follows:

- 2.6.1. Twenty eight weeks paid primary care giver leave (including 2 weeks prenatal leave);
- 2.6.2. Four weeks paid non-primary care giver leave;
- 2.6.3. All paid parental leave to be provided at full income maintenance or federal minimum wage (whichever is the greater) and to attract the parents' normal superannuation entitlement (at a minimum of 9%);
- 2.6.4. All paid parental leave to apply to all parents and adoptive parents at the birth or adoption of a child; including but not limited to permanent and casual employees, independent contractors and self employed persons;
- 2.6.5. A paid parental leave scheme to be legislated and significantly funded by government with some contribution from employers (in the case that the parent is an employee); and
- 2.6.6. A paid parental leave scheme should include a complaints and appeals mechanism which is accessible, affordable, provides prompt and fair resolution and includes the capacity for employees to be represented by unions.

2.7. APESMA urges the Commission to also recommend:

- 2.7.1. Unpaid parental leave contained in the National Employment Standards should apply to employees with less than twelve months service with their current employer;
- 2.7.2. An education campaign with employers and the community regarding any new scheme that highlights its benefits and the importance of providing family friendly workplaces;
- 2.7.3. Funding for research and initiatives that will contribute to community wide development of skills maintenance, continuing professional development and employee-employer contact whilst on parental leave, including structured programs for re-entry into their original profession; and

2.7.4. There should be an ongoing collection of data regarding paid parental leave and the level of take up, patterns of use, impact on labour market attachment and any unpredicted outcomes resulting from the introduction of the scheme. In two years there should be a review of the effectiveness of the particular scheme of paid parental leave put in place given the above data.

2.8. APESMA supports the ACTU in urging the Commission to make the following recommendations:

- 2.8.1. An extension of the right to request concurrent unpaid parental leave contained in the National Employment Standards from three weeks to up to eight weeks;
- 2.8.2. Improvements to the provisions contained in the National Employment Standards for employees returning to work from parental leave;
- 2.8.3. Breastfeeding breaks; and
- 2.8.4. That paid parental leave be recognised as one part of a suite of policies necessary to support working families.

2.9. The Association would welcome the opportunity to address the Productivity Commission regarding this submission.

3. Current Paid Parental Leave Entitlements

3.1. Despite current skills shortages and the need to attract and retain employees in technical professions, a large number of women with such skills do not have access to any paid maternity leave. Of those that do receive paid maternity leave, the entitlement varies significantly.

3.2. In 2007 APESMA conducted an extensive survey of women (members and non members) predominantly in technical professions. There were 1953 respondents to the 2007 APESMA Women in the Professions Survey¹ of which 43.2% held science degrees and 23.3% engineering degrees.

46.3% of respondents to the 2007 APESMA Women in the Professions Survey reported that they did not have access to any paid maternity leave at all.

34% of respondents to the survey with children reported that they did not take any maternity leave, paid or unpaid. There is no data on why this occurred, however it is likely to be that members resigned from their jobs or used other forms of leave.

¹ APESMA 2007 APESMA Women in the Professions Survey Report (available at http://www.apesma.asn.au/women/survey_report.asp).

Respondents who had children and took maternity leave were asked how many weeks of paid maternity leave their employer provided. 36% answered that their employer provided no paid leave, 10% received six weeks or less, 39% received 7 - 13 weeks, 5% received 14 weeks and 10% reported receiving more than 14 weeks (note: it is possible that some may have included time at half pay). Therefore at least 85% of respondents who took maternity leave did not receive the International Labour Organization standard of 14 weeks paid maternity leave at the time they had their last child.

- 3.3. APESMA member access to paid parental leave is likely to vary significantly depending on their employment type and the nature of the industrial instrument that determines their employment conditions.

3.3.1. It is estimated that approximately 40-45% of APESMA members' employment is covered by collective agreements which APESMA, with its members, negotiates in workplaces across Australia. Contained within these agreements there is likely to be a high prevalence of paid maternity leave of varying durations.

3.3.2. Of APESMA's membership it is estimated that approximately 10-15% are reliant on Award and/or Australian Fair Pay and Conditions Standards for their pay and conditions. It is highly unlikely that they would have access to any paid parental leave.

3.3.3. Approximately 10-15% of APESMA members are self-employed/contractors. APESMA does not have data on the prevalence of paid or unpaid parental leave amongst these members. However, due to the nature of the work most are unlikely to be able to access either paid or unpaid parental leave.

3.3.4. The remaining 40% or more are likely to have their substantive pay and conditions in common law employment contracts (the majority of which would be underpinned by Awards and/or Australian Fair Pay and Conditions Standard) and a small minority would have individual agreements (predominantly Australian Workplace Agreements). These members would largely be reliant on individual negotiations to determine their substantive conditions of employment.

Despite current skills shortages in technology based professions, a majority of respondents to the 2007 APESMA Women in the Professions Survey reported that they were 'not very confident' or 'not confident' in negotiating their remuneration and

working conditions with their employer.² There is little doubt that even for those with skills which are highly sought after, the task of negotiating paid parental leave individually is extremely difficult. It is not surprising that so many respondents to the APESMA Women in the Professions Survey were left without it.

When seeking a new role professional women are being put in the situation of either identifying their future likelihood of commencing a family just to gain basic employment entitlements, or go without.

3.3.5. Relying on individual or collective bargaining for paid parental leave produces uneven outcomes across industries and employers and provides Australian employees with little guarantee of paid parental leave now, or into the future. It has failed to provide an adequate paid maternity leave entitlement most of the respondents to the APESMA Women in Professions Survey that had taken maternity leave and has failed to redress the systemic discrimination that confronts primary care givers, predominantly women, in the workforce.

3.3.6. As shifts occur in some industries and employers decline as others grow and as economic circumstances change even those that currently have an entitlement to paid parental leave have no real assurance that they will continue to do so. Recent ABS data indicated that between November 2006 and November 2007 there was a fall in the percentage of employees who had access to paid parental leave from 42.7% to 42.1%.³ Legislated paid parental leave would provide much greater certainty of an entitlement for parents now, and into the future.

4. Systemic Discrimination

4.1. Labour market participation has changed substantially over recent decades, but the organisation of work and assumptions about employees have not, leading to systemic discrimination of those with caring responsibilities, predominantly women. Systems of work have been based on the assumption that an employee was supported by another family member undertaking caring and domestic responsibilities at home⁴ and therefore the employee did not carry family membership to work. Kanter⁵ has described this as a myth of separate worlds – the work and the family world – citing a 1950s sociological study⁶ in which

² APESMA (2007) *APESMA Women in the Professions Survey Report 2007* (available at www.apesma.asn.au/women/survey_report.asp).

³ Australian Bureau of Statistics 6359.0 *Forms of Employment, Australia* November 2007 (available at www.abs.gov.au).

⁴ Lewis, S & Cooper, C. (1999) The work-family research agenda in changing contexts *Journal of Occupational Health Psychology* Vol 4, No 4. pp382-393.

⁵ Kanter, R. (1977) *Work and Family in the United States: A Critical Review and Agenda for Research and Policy* Russell Sage Foundation, NY, USA.

⁶ Seeley, Sim and Loosley 1956 cited in Kanter 1977, p14.

a visual picture emerges of American suburbia populated during the day by mainly women and children whilst the male attends work where he is perceived as not carrying family membership with him. Structures and systems of work have been set around such assumptions and whilst this has begun to shift, it lags behind workforce changes.

- 4.2. The visual picture of APESMA members and their lives in 2008 would look very different to the 1950s suburbia referred to. It might include: a female scientist needing to leave the lab in time to pick up her children from school, a male vet requesting to start work later in order to be able to drop off his daughter at day care, a young female engineering graduate going to work with fly-in, fly-out arrangements on an oil rig in a helicopter, a male engineer looking after the children on Saturday as his pharmacist wife goes off to work. With a huge increase in women's participation in the workforce the needs of the workforce have changed significantly. Whilst there has been a gradual shift there has not been a comprehensive transformation of our workplaces and women have instead had to assimilate into a "male dominated work culture"⁷ in which assumptions remain about employees (men and women) not having family responsibilities. In effect this has amounted to a form of discrimination, systemic discrimination, for those with a primary care role, predominantly women. The introduction of a statutory entitlement to paid parental leave would not, on its own, be sufficient to remove this systemic discrimination but would go some way to doing so.

5. Women's Financial Contribution

- 5.1. The historic 'breadwinner' model of family and workforce assumes a single income, with any additional as discretionary. The absence of a statutory entitlement to paid maternity leave carries the inherent assumption that the household is not dependent on the income of the primary carer. Such an assumption is not only outdated, but also fails to recognise the important financial contribution of women to the household.
- 5.2. For many professional women, child bearing may occur within the first decade of their career. At this time most are still establishing their careers and finances. Many would be continuing to pay for their education through the Higher Education Contributions Scheme and be at early stages of establishing their long term financial security through actions such as purchasing a house.
- 5.3. In some instances women may be the only income earner in the family; as a single parent household or due to family circumstances, in which case women's financial contribution is vital. In dual income families women's incomes are seldom discretionary and many families

⁷ Palermo, J. (2004) *Breaking the Cultural Mould: The Key to Women's Career Success* Hudson 20:20 Series, Hudson Global Resources and Human Capital Solutions; (Available at au.hudson.com/documents/emp_au_Whitepaper_breaking_cultural_mould.pdf), p18.

find being dependent on one income following the birth of a child very difficult. Some APESMA members had access to paid parental leave and reported the difference it made to their families financial situation, preventing the loss of a significant household income for a number of weeks:

“Paid maternity leave, announced when I was heavily pregnant, was a God-send. As the higher earner than my Husband, my income was always critical to the survival of the family with a Sydney mortgage.”

- Female Engineer from New South Wales

However, as there is no statutory entitlement to paid parental leave many APESMA members do not receive it, or only receive a limited duration. Losing an income can be difficult, even for professionals:

“I received 6 weeks full-time paid maternity leave after my first child (2005) and 6 weeks (pro rata as I was working part-time) after my second child (2007). This was “better than nothing” at the time, however I feel it was not adequate to support us as a young family and the stresses that the family is placed under as a result of losing an income.”

- Female Scientist from Victoria

“In our case, one income is not sufficient to support our family and [we] have delayed having a second child. If 6-months paid maternity leave becomes available... then we will have our second baby now.”

- Female Engineer from South Australia

“In the 1960’s families could afford to pay their mortgages and live on one wage. This is no longer the case. Young families are being held to ransom by high mortgages, high costs of childcare and large numbers of women working in casual and part time jobs.”

- Female Manager from South Australia

- 5.4. The lack of paid maternity or primary care giver leave can also impact on the non primary care giver who then becomes the sole income earner, as noted by an APESMA member;

“I’m concerned that the financial pressures/bread-winning burden (particularly for the male) is putting added strain on the family unit and contributing to depression and other anxiety disorders...”

- Female Scientist from Victoria

- 5.5. There has been some discussion in the community regarding models of paid maternity leave which pay an entitlement at the level of the federal minimum wage. It is the position of

APESMA that all paid parental leave should be at full salary maintenance (unless the federal minimum wage is greater) attracting the standard employer contribution to superannuation.

Anything less than full salary maintenance undervalues the financial and workforce contribution of women, acts to entrench women's disadvantage at a time when there is opportunity to redress parts of the systemic discrimination that still exists and reinforces the outdated model of women's dependence on the income of a 'breadwinner'.

As reported in the APESMA Women in the Professions Survey Report 2007,⁸ a gender pay gap continues in engineering, science and information technology. Providing paid maternity leave at the minimum wage rather than at full salary maintenance will further entrench the gender pay gap and women's lower retirement incomes.

- 5.6. It is essential that any entitlement includes the superannuation contribution the employee would normally receive (at a minimum of 9%). The National Pay Equity Coalition referred to research in their submission to a HREOC inquiry in 2002 which estimated that where men and women are on the same income, men's retirement incomes are, on average, 50% higher due to women having periods out of the paid workforce.⁹ Ensuring superannuation during a period of paid parental leave will not close a gap caused by longer career breaks; however it would have some impact. The Women's Economic Policy Analysis Unit of Curtin University of Technology provided a submission to the same HREOC inquiry in which they argued that superannuation payments during 12 weeks paid leave would have the accumulative effect of one to four per cent of superannuation at age 60.¹⁰

6. Eligibility for paid and unpaid parental leave

- 6.1. Ideally the scheme of paid and unpaid parental leave should not require a qualifying period of service with the current employer. The existing limitations on unpaid leave are prohibitive for many and do not recognise that employees change jobs (due not only to their own choices but also to temporary employment, restructuring and other circumstances not of their control).

An APESMA member story is a good illustration of why the current restrictions should not apply. The member was employed as a temporary agency employee, received permanent employment but just over a year later was made redundant through restructuring. She worked for two years with another employer and was considering having a child. Then, due to

⁸ APESMA (2007) *APESMA Women in the Professions Survey Report 2007* (available at www.apesma.asn.au/women/survey_report.asp).

⁹ National Pay Equity Coalition cited in Human Rights and Equal Opportunity Commission (2002) *A time to value: Proposal for a national paid maternity leave scheme*. (available at www.hreoc.gov.au/sex_discrimination/paid_maternity/pml2/index.html)

¹⁰ Women's Economic Policy Analysis Unit of Curtin University of Technology cited in Human Rights and Equal Opportunity Commission (2002) *A time to value: Proposal for a national paid maternity leave scheme*. (available at www.hreoc.gov.au/sex_discrimination/paid_maternity/pml2/index.html)

downsizing, was made redundant again. She is currently nearing 12 months service with another employer but has been forced to again seek a change as her partner's job has moved him to another city.

"So, I've wanted a baby for the last 3 years, but it's not an option because I would have no right to any leave at all... I...think that there is an attitude amongst employers that maternity leave has to be 'earned' through your loyalty to the company – but there's no corresponding loyalty from them towards you as an employee."

- Female Environmental Engineer from New South Wales

7. Impact of paid leave on the fathers/non primary care givers

- 7.1. An entitlement to paid leave for a primary care giver has the potential to impact on the experience and the choices of the whole family, including the reduction of pressure on the fathers/non primary care givers to be the sole income earners, which may support their greater involvement in parenting.

A self-employed APESMA member whose wife received 12 weeks paid maternity leave at the birth of their child was able to take two months off work (unpaid) and cites the benefits;

"I was able to help ensure a smoother transition into the new parenthood role that we both had. It gave me the opportunity to do a lot more domestic duties as well...It has really helped the bonding process, taking some of the pressure off my wife to be available 24/7."

- Male Engineer from Queensland

- 7.2. Given that there is currently no statutory paid paternity/non primary care giver leave many would not have had this same opportunity.

Recent Australian research has found that 83% of fathers took leave when their child was born, but only 24% took paid paternity leave as compared to 62% that took other forms of paid leave,¹¹ reducing annual leave and other entitlements that would otherwise be used at other times.

The current lack of any statutory entitlement to paid paternity/non primary care giver leave and only a limited duration of unpaid leave available does not recognise the important role of fathers and partners at this time in bonding with their new child, supporting their partner, assisting in the care of other children and contributing to the family and household:

¹¹ Whitehouse, G., Baird, M., Diamond, C. and Hosking, A. (2006) *The Parental Leave In Australia Survey: November 2006 Report* (available at: www.uq.edu.au/polis/parental-leave/level1-report.pdf).

"It would be nice to have a balance in life, where the male can be given leave to assist:

- the mother in rearing a new child for a period of 12 weeks, which may assist greatly in the minimisation of post traumatic stress after the birth of the child...*
- in bonding the family together when present and giving a hand, the feeling of being involved*
- in the reduction of feeling frustrated and helplessness at work when in full knowledge the spouse is struggling on her own*
- in the recharge of batteries [for the spouse] especially when maternity months could be a struggle time such as [with] nausea, back pain etc"*

- Male Engineer from New South Wales

- 7.3. Another member cited the importance of both parents having time to spend with a new baby given increasingly less involvement of the extended family:

"It is important for both parents to have equal opportunity to spend time with a new addition to the family and in a society where traditional links to family support have been broken it is important for the family unit to have an adjustment time."

- Female Engineer from South Australia

This is particularly relevant where technical professionals may relocate away from their home base and extended family due to career, including moving to larger cities or to work in locations such as mining towns.

- 7.4. APESMA supports the introduction of a statutory entitlement to a concurrent period of four weeks paid leave for all non primary care givers available to all non primary care givers (including fathers and same sex partners) regardless of length of service with current employer and employment type.

8. Importance of paid leave for the care of the child

- 8.1. It is important for the well being of the child to introduce a statutory entitlement to paid parental leave in Australia. APESMA members cited the importance of providing paid leave to enable parents to spend time with their children to care, bond and breastfeed:

"Babies need time to bond with their parents and paid maternity leave helps make that possible for more people."

- Female Engineer from Victoria

"I have chosen to return part-time (3 days a week) from June 2008 (when my daughter will be 7 months old) at which point she will be partially weaned. When breast-feeding, the first six months are crucial for the mother, and being home full-time makes this a lot easier."

– Female Scientist from New South Wales

"We should be deciding as a society what we are willing to accept for the children's welfare and development."

– Female Mechanical Engineer from Western Australia

- 8.2. Access to paid parental leave makes a difference to the choices people make about the duration of their total leave. Recent Australian research found that 46% of mothers returning to work within 15 months would have taken longer if they had access to, or a longer duration of, paid maternity leave.¹²

9. Primary care giver leave

- 9.1. Given this opportunity to provide support for parents and families into the future the Commission should remove barriers to families making their own choices about who should fulfil the primary care giver role. Whilst there are reasons relating to physical recovery and breastfeeding which make maternity leave an imperative in the earlier weeks, a longer duration of paid entitlement should be available to either parent, as the primary care giver, in an effort to provide families with choice.

APESMA women members often work in male dominated professions and industries, continually challenging gender stereotypes. It is therefore not surprising that APESMA women members sought to remove barriers that prevent them making choices that challenge gender stereotypes in their personal lives as well:

"Deciding who should be the primary carer was a difficult choice for me and my partner. While I was earning a significant amount more than him, he had just started a new career...and it would have been detrimental to his career to take leave at that time. At the end we made a decision to sacrifice my career at that time, although if he hadn't started the new career the decision would definitely [have] gone the other way."

- Female Mechanical Engineer from Western Australia

APESMA members emphasised the benefits of choice for parents:

¹² Whitehouse, G., Baird, M., Diamond, C. and Hosking, A. (2006) *The Parental Leave In Australia Survey: November 2006 Report* (available at: www.uq.edu.au/polsis/parental-leave/level1-report.pdf).

"While there is a case for women having access to leave to recover physically from childbirth, I think that men should also be given the same leave allowances as women – that would allow greater flexibility for parents to make arrangements that suit them [and] it would avoid the 'gendering' of parenting." - Female Environmental Engineer from New South Wales

"We should ensure that...men and women have equal access to paid and unpaid parental leave (this truly gives people 'choice')." – Female Scientist from New South Wales

10. Career impact of parental leave

"When I left uni, I assumed that by the time I was ready to have kids, all this would have been sorted out. It's sad, and frightening, that it hasn't. I am running out of time to have children, I want children, but at the same time, I am reluctant to be part of the next generation that is condemned to less superannuation, fewer career choices, and job insecurity because of that choice. It's such an awful choice to have to make. Knowing that there was paid maternity leave available would make it so much easier."

- Female Environmental Engineer from New South Wales

10.1. Many APESMA women members have reported perceiving a clear link between having children and career detriment. The 2004 APESMA Women in Professions Survey¹³ showed that 78.7% of respondents believed that they would need to modify their career ambition in order to start a family. More broadly, APESMA women members also report the effect of balancing work and life on their careers. Of all respondents to the 2007 APESMA Women in Professions Survey (including those that did not have children) 63.5% reported that balancing work and life had an effect on their career, 35.6% responding that it had a significant effect and 27.9% reporting a moderate effect.¹⁴ Whilst not a panacea, a statutory entitlement to paid parental leave would assist technology professionals to balance work and family and increase labour market attachment, aiding in preventing career detriment.

10.2. The introduction of a statutory entitlement to paid parental leave is essential, but is only a first step and further work is required in better management of paid parental leave. Where work-life balance and paid parental leave entitlements, policies or programs exist, employees often perceive that utilising them will limit their career¹⁵. In the 2007 APESMA Women in the Professions Survey 56.9% of respondents with children believed that taking maternity leave would be detrimental to their career.¹⁶

¹³ APESMA 2004 APESMA Women in the Professions Survey Report (available at http://www.apesma.asn.au/women/survey_report.asp).

¹⁴ APESMA 2007 APESMA Women in the Professions Survey Report (available at http://www.apesma.asn.au/women/survey_report.asp).

¹⁵ Lewis, S. (2003) Flexible working arrangements: implementation, outcomes and management in Cooper, C. and Robertson I. (eds) *International Review of Industrial and Organisational Psychology* Vol. 18, USA, p15.

¹⁶ APESMA 2007 APESMA Women in the Professions Survey Report (available at http://www.apesma.asn.au/women/survey_report.asp).

Members have indicated that this can include: absence from the workplace resulting in members not being consulted, not receiving training opportunities, perceptions of skill erosion, workforce culture and limitations when they return to work, often part time. It is vital that these issues are further understood and addressed.

APESMA members reported a lack of professional development whilst on maternity leave:

"I felt isolated from my employer over the period of mat leave and would've benefited from my employer being more active in my personal development, although I believe the employee needs to take some control of their personal development too..."

Suggestions...Make training and development opportunities for parents on parental leave more a right and not perceived as a privilege." - Female Scientist from Victoria

APESMA members have also informed the Association that it can be difficult returning to workplaces where change has occurred. One member reported that whilst she was on maternity leave some decisions were made about changes which she would normally have expected to be consulted on, but she wasn't: *"I don't think I crossed anyone's minds."*

10.3. APESMA recommends that there be research, investigation and funding for initiatives that will contribute to community wide development of skills maintenance, continuing professional development and employee-employer contact whilst on parental leave, including structured programs for re-entry to the workforce.

11. Workforce Culture and Implementation of Paid Parental Leave

11.1. Workforce culture is another significant reason that taking paid parental leave may be perceived as detrimental to a persons' career. When asked to identify factors that had most affected their career advancement respondents to the APESMA Professional Women's Survey rated workforce culture as the second most significant factor with 24.1% responding that it had a significant effect¹⁷. Whilst there may be many aspects of workforce culture that cause career detriment, studies have found that employees who access parental leaves are more likely to be viewed negatively by their childless co-workers.¹⁸ Organisations sometimes foster such attitudes through encouraging and rewarding workaholic behaviour without

¹⁷ Ibid.

¹⁸ Grover cited in Lobel, S. and Kossek, E. (1996) Human resource strategies to support diversity in work and personal lifestyles: beyond "family friendly" organization in Kossek, E. and Lobel, S. (1996) *Managing diversity: human resource strategies for transforming the workplace* Blackwell Business, MA, USA, p234.

recognising the personal and organisational costs of such behaviours.¹⁹ A study in the USA of companies rated highly by a magazine for having good work-life benefits found that many of the employees of these companies feared taking carers leave as they may not be considered for a promotion.²⁰

Though some members reported supportive managers, others told APESMA of an incongruence of entitlements and the culture of the organisation:

"The local management were extremely anti flexibility though the policies supported it...There was a policy written by one half of the organisation but the other half of the organisation was a lot more misogynistic..."

- Female Engineer from New South Wales

Some members were clearly frustrated by a lack of understanding from their management:

"Given that women make up 50% of the Australian population, and that without childbearing we would have an even poorer population growth than currently, why is it that paid maternity leave is not supported by the majority [of] male managers?"

- Female Medical Scientist from South Australia

One member felt that greater information may assist with some attitudinal issues:

"There should also be widespread education of managers everywhere (and workers everywhere!) regarding the needs of parents...this would be tremendously helpful to all concerned."

- Female Scientist from New South Wales

11.2. In order to have an effective new statutory entitlement to paid parental leave it is thus crucial to provide education to employers and the community on the benefits of such a scheme and the importance of having a family friendly workplace. It is also important that universally available entitlements are utilised. The ongoing effectiveness of new measures can be supported by an active monitoring of take up and patterns of use.

11.3. To ensure its effectiveness the introduction of a statutory entitlement to paid parental leave should be accompanied by a complaints and appeals mechanism which is accessible, affordable, provides prompt and fair resolution and includes the capacity for employees to be

¹⁹ Lobel, S. and Kossek, E. (1996) Human resource strategies to support diversity in work and personal lifestyles: beyond "family friendly" organization in Kossek, E. and Lobel, S. (1996) *Managing diversity: human resource strategies for transforming the workplace* Blackwell Business, MA, USA, p238.

²⁰ Polach, J. (2003) HRD's role in work-life integration issues: moving the workforce to a change in mindset *Human Resources Development International* Vol. 6, No. 1, pp57-68.

represented by their union. APESMA members have recently reported having their workload cut and training opportunities diminishing whilst they are pregnant, failure to recognise continuity of service when returning to work following maternity leave and being asked to pay back part of paid maternity leave. These are only a few very recent examples of the issues APESMA members have sought help from the Association with due to employers that do not respect the rights and entitlements of our members which demonstrate why an effective complaints and appeals mechanism is essential.

12. Skilled women not retained despite shortages

12.1. Without factoring in skills shortages, paid parental leave has been associated with good economic outcomes including increased Gross Domestic Product, increased employment and reduced unemployment.²¹ However, Australia is currently experiencing skills shortages in many technical professions and is losing women from those professions. Change is long overdue. Given the link between paid parental leave and workforce attachment, it is essential that Australia introduces paid parental leave.

What was previously the Department of Education, Science and Training (DEST) produced an *Audit of science, engineering and technology skills: summary report* in 2006 which stated:

“The skills and abilities of our population are a key resource for Australia’s continued prosperity. Science, engineering and technology (SET) skills are vital, as they provide the basis for an innovative and globally competitive workforce. The development of these skills contributes to the development and growth of industry and research sectors, and, in turn, the growth and productivity of the economy... However, the adequacy of SET skills supply is an ongoing concern for Australian industry, governments and the scientific research community and gaps in SET skill supply have been identified.”²²

In 2004 (DEST) reported that 34% of graduates in technology professions (including sciences, information technology, architecture and engineering related technologies) were women.²³ Skilled professional women have made, and will continue to make, a significant contribution to technology professions. However, systemic discrimination needs to be removed before the potential contribution of women in the industries is fully realised.

²¹ Ruhm and Teague cited in Hofferth, S. and Curtin, S. (2003) The Impact of Parental Leave Statutes on Maternal Return to Work after Childbirth in the United States OECD Social, Employment and Migration Working Papers No.7, p8.

²² Department of Education Science and Training (2006) *Audit of science, engineering and technology skills: summary report* Commonwealth of Australia, Canberra, pix. (available at: www.dest.gov.au/sectors/science_innovation/policy_issues_reviews/key_issues/setsa/report.htm).

²³ APESMA 2007 *APESMA Women in the Professions Survey Report* (available at www.apesma.asn.au/women/survey_report.asp).

The APESMA Women in the Professions Survey Report 2007 found that, in 1996, 18% of engineering graduates were women but female engineers made up only 11% of all engineers with between 7 and 10 years experience in 2006. They are therefore estimated to be leaving the profession at a rate of 38.8% faster than men.

12.2. Research and reported experiences of APESMA members provide strong indications that one of the causes for women leaving the professions is the difficulty in balancing work and family. Many women with caring responsibilities are either changing sectors or industries or leaving the professions; as observed by an APESMA member:

"Looking at my professional friends as the biological clock ticks, most have moved in the public sector over the years so that they could have a family. Of my friends who remained in the private sector few have children, and [of] those that did none could find a way to return to work and balance motherhood and work demands."

– Female Engineer from New South Wales

Paid parental leave, though only one element of what needs to be a broader strategy should assist in retaining women in the technology professions. Research has demonstrated that paid parental leave can increase labour market attachment. A study in the UK found that women are more likely to return to work after child birth if they have more generous duration of leave and financial compensation available.²⁴

12.3. The lack of a statutory entitlement to paid parental leave is very important but is part of a broader issue of the lack of recognition of both the caring responsibilities and the continuing contribution that parents can make in the workplace. Recent Australian research has found that 14% of mothers resigned from their job when they had a child, 20% of who did so because the job was too demanding or they were unable to get enough flexibility in hours, 17% resigned because of a lack of paid maternity leave and 10% resigned because of a lack of a supportive work environment.²⁵ Therefore there is much scope to improve women's retention in the workforce if changes were made to ensure that those with carer responsibilities could balance those with work.

Despite current skills shortages APESMA members reported difficulty in accessing part time work. The association has recently been informed about a major employer that is having

²⁴ Thornthwaite, L. (2002) Work-family balance: international research on employee preferences *Working Paper 79* From the Working Time Today Conference 16 August 2002, ACIRRT, University of Sydney (available at www.wrc.org.au/documents/WP79.pdf).

²⁵ Whitehouse, G., Baird, M., Diamond, C. and Hosking, A. (2006) *The Parental Leave In Australia Survey: November 2006 Report* (available at: www.uq.edu.au/polis/parental-leave/level1-report.pdf).

trouble attracting engineers but informed a member (through an agency) “we don’t want part-timers.”

APESMA members report that where part-time work is available, there can sometimes be a stigma attached:

“I work very hard, including working from home at night, weekends etc when needed to maintain my full-time workload within my part-time hours (21 hours per week) so that I don’t jeopardise my “privileged” status of working part-time...I feel that I must over-achieve in order to compensate for not being in the office in a full-time capacity and I genuinely feel that I also need to work in this manner to maintain the respect of my full-time co-workers as a professional.”

– Female Engineer from New South Wales

APESMA members also report difficulties with access and affordability of childcare which can also effect their labour market participation.

12.4. Despite current skills shortages women engineers are leaving the profession faster than men.

The industry is failing to retain skilled and experienced women, exacerbating skills shortages. Feedback from APESMA members would indicate that one of the major causes of women leaving the profession is the due to difficulties balancing work and family. APESMA therefore urges the Commission to recommend paid parental leave as a first step to ensure that skills and experienced women are retained; providing benefit to the women themselves and to the Australian community and economy.

13. International comparison

13.1. Australia is one of only two OECD countries that does not have a broad entitlement to paid parental leave. Australia has not ratified the ILO Maternity Protection Convention and Recommendation in which 14 weeks paid maternity leave is prescribed as a minimum with 18 weeks recommended. APESMA is advocating for a statutory entitlement to six months paid primary care giver leave which compare considerably better with other OECD countries than the current lack of entitlement.

13.2. An APESMA member from the UK has noted the substantial difference in entitlement;

“I came to Australia from the UK where I worked at [a car manufacturer] and had a year of full pay maternity leave. The government supplied 400 GBP for the 1st 6 months and [the employer] made up the difference to my salary, and then [the employer] covered my entire

salary for the following 6 months. That scheme was particularly generous but most companies cover some pay for 6 months.

Parental leave [for the father] at [the UK employer] was 3 or 4 weeks which did not have to be taken at once, which was wonderful if there were relatives visiting and the father could take leave when help was really needed with the child.

I was shocked to discover the maternity arrangements in Australia and think it's very hard for families who have to buy things for a new baby and also lose one household salary."

- Female Engineer from Victoria

13.3. Statistics would indicate that in the years from 1995-6 to 2003-04 the rate of Australian engineers leaving Australia has exceeded the number of those returning every year except one.²⁶ There is already a global market for technology professionals and the 2006 *Audit of science, engineering and technology skills* has noted the international competition for skills that Australia is likely to face in the future:

"Australia's SET [science, engineering and technology] skills supply will face challenges from international demand for SET skills. OECD countries are placing increased emphasis on R&D [research and development]. These countries also face significant age-based retirement issues."²⁷

In order to retain Australian technology professionals it will be important to make employment in Australia attractive. This should include providing family friendly workplaces which are on par with, or exceed those of other OECD nations. A substantial improvement in paid parental leave is required before this would be possible.

14. Conclusion

14.1. APESMA urges the Productivity Commission to make recommendations that recognise the benefits of a statutory entitlement to paid parental leave to families, the workforce and the economy more broadly.

14.2. Though the workforce has changed significantly the workplace has not, leading to systemic discrimination of those with carer responsibilities, predominantly women. This is one of the major factors contributing to women leaving the engineering profession faster than men, resulting in the loss of their skills and experience to the workforce, industry and the economy.

²⁶ Birrell, Rapson and Smith cited in Engineers Australia (2006) *The Engineering Profession: A Statistical Overview*

²⁷ Department of Education Science and Training (2006) *Audit of science, engineering and technology skills: summary report* Commonwealth of Australia, Canberra, p50 (available at: www.dest.gov.au/sectors/science_innovation/policy_issues_reviews/key_issues/setsa/report.htm).

14.3. There is a global market for technology professionals and evidence that more engineers are leaving Australia than are returning. Australia must retain and attract technology professionals at this time of skills shortage and yet is one of only two OECD countries without paid maternity leave.

14.4. APESMA urges the Commission to recommend the introduction of a statutory entitlement to the paid parental leave scheme outlined in the recommendations in order to provide even outcomes across industries and employers.