



Community & Public Sector Union

Stephen Jones • National Secretary

Committee Chair Ms Sharryn Jackson MP
Standing Committee on Employment and Workplace Relations
House of Representatives
PO Box 6021
Parliament House
Canberra 2600
Email: ewr.reps@aph.gov.au

Thursday, 27 August 2009

Dear Ms Jackson 

As part of the CPSU's submission to the Pay Equity Inquiry, we provided the Committee with a copy of our CPSU 'What Women Want' Survey Report. The 2008 survey gathered the views of 8,500 APS women employees. One of the key findings was that women did not contribute to their superannuation, particularly under the age of thirty five. This is the time when contributions are most valuable because of the compounding effect for those in accumulation schemes.

As well as not making their own contributions, women in this age group are disadvantaged during periods of maternity leave. While employers pay superannuation on the period of paid maternity leave, women are not receiving contributions for the period of *unpaid* leave, a time when they cannot afford to make their own contributions. The impact is universal - both women in defined benefit schemes and those on the accumulation plans ultimately suffer a reduction in their superannuation balance at retirement as a result of taking time away from work to have children.

While the public sector cannot lead on wages, it can provide the lead on low cost, innovative solutions to address inequity. The CPSU will be seeking that the government, as employer pay superannuation during periods of paid *and unpaid* maternity leave to redress this inequity at retirement.

The cost to government is not significant. In 2006-7, 3,109 women in the APS took maternity leave. Assuming that they all took 12 months unpaid leave and their paid entitlement was 14 weeks (including superannuation), the period for which they did not receive superannuation contributions from their employer was 38 weeks. Based on data provided to the CPSU by the APSC, the cost of providing these women with the additional superannuation (15.4 per cent is the employer contribution in the APS) is \$23.9 million. In reality the cost would not be this high since a significant proportion of APS women return to work within 12 months of the birth of their child.

I am writing to seek that the Pay Equity Committee consider this proposal in any final report and recommendations.

Yours sincerely



Stephen Jones
National Secretary