



# AUSTRALIAN CATHOLIC BISHOPS CONFERENCE

## General Secretariat

**Submission Number: 64** <sup>A</sup>  
**Date Received: 28/8/08**

Committee Secretary  
Standing Committee on Employment and Workplace Relations  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Sir/Madam

Inquiry into pay equity and associated issues related to increasing female participation in the workforce

Attached for your consideration is a submission on behalf of the Australian Catholic Bishops Conference (ACBC) to your Committee's Inquiry into pay equity and associated issues related to increasing female participation in the workforce.

The issues being considered by your Committee are of great importance to many people. They are particularly important to many people who are greatly disadvantaged by current arrangements in the workplace. Such arrangements need to be addressed if Australia is to genuinely implement a policy of social inclusion that also includes justice.

You will be aware that the Catholic Church is one of the major employers in Australia. You will also be aware that the Church is a strong advocate for equity and equality in our society. In both of these roles, the Church has a strong interest in the issues being considered by your Committee.

The attached submission has been prepared by the Australian Catholic Council for Employment Relations and Catholic Social Services Australia. Both of these agencies have considerable experience of great relevance to the issues being considered.

The Australian Catholic Council for Employment Relations (ACCER) advises the Australian Catholic Bishops about employment relations issues.

Catholic Social Services Australia is the peak body for many Catholic Agencies that provide a range of services to people in need across Australia.

If we can assist you or your Committee in any way, we would be happy to do so.

I wish you and members of your Committee well in your consideration of these important issues.

Yours sincerely,

Rev Fr Brian Lucas  
General Secretary  
Australian Catholic Bishops Conference  
28 August 2008

**Submission to**  
**The House Standing Committee on**  
**Employment and Workplace Relations**

**Inquiry into**  
**Pay Equity and Associated Issues**  
**Related to Increasing Female**  
**Participation in the Workforce**

**On behalf of**  
**The Australian Catholic Bishops**  
**Conference**

**Submission to**  
**The House Standing Committee on**  
**Employment and Workplace Relations**

**Inquiry into**  
**Pay Equity and Associated Issues Related to Increasing**  
**Female Participation in the Workforce**

**On behalf of**  
**The Australian Catholic Bishops Conference**

**Introduction**

Thank you for the opportunity to make a submission to the Inquiry into Pay Equity and Associated Issues Related to Increasing Female Participation in the Workforce. Equity is a fundamental tenet of a democratic society, a pre-condition of social inclusion. While only some have equity, our society cannot truly claim to be a fair and just society. Accordingly, the issues being considered by your Committee are of great importance.

**Background**

Social Inclusion is central to the core values that inspire good government in Australia. On 21 May 2008, in a statement announcing the inaugural members of the Social Inclusion Board, the Prime Minister and Deputy Prime Minister said:

*“Every Australian should have an opportunity to be a full participant in the life of the Nation. Unfortunately, too many Australians remain locked out of the benefits of work, education, community engagement and access to basic services. This social exclusion is a significant barrier to sustained prosperity and restricts Australia’s future economic growth. Promoting social inclusion requires a new way of governing. Australia must rethink how policy and programs across portfolios and levels of Government can work together to combat economic and social disadvantage.”*

We share those views of the Prime Minister and Deputy Prime Minister. Every person in Australia has a right to human dignity and to be able to enjoy full participation in society.

For individuals and families, social inclusion has no meaning if some employees or would-be employees are restricted, because of discrimination (whether deliberate or systemic), from fully participating in the workforce according to their skills and abilities. Discrimination against women in the workforce, regardless of the subtlety of the discrimination, is a particularly unacceptable example of such discrimination.

The Catholic Church, with its various agencies, is one of the largest employers in Australia. Catholic Church Agencies seek to operate in the modern world with the imperatives to practise the moral values of the Church. In this role, Catholic Church Agencies seek to be role models as to how employers should operate in the modern world. Achieving this objective is not always easy and it is an ongoing challenge.

The Australian Catholic Council for Employment Relations (ACCER) has been established by the Australian Catholic Bishops Conference (ACBC) with two complementary roles. ACCER provides advice to Bishops and to various Catholic agencies on employment policies and practices and is a public advocate for policies that are consistent with the principles of Catholic Social Teaching concerning work and the employment relationship.

The Catholic Church and agencies such as ACCER have a long tradition of advocating for improvements in employment and workplace relations conditions. For example, in recent years various Church agencies were critical of aspects of *Work Choices* because of their adverse impact on the more vulnerable members of our society.

In the past year, ACCER and other agencies, such as Catholic Social Services Australia (CSSA), have commented upon various policy issues. For example, CSSA and ACCER made a joint submission to the Productivity Commission's Inquiry into Paid Maternity, Paternity and Parental Leave (PC-MatLeave) and ACCER made a submission to the Australian Industrial Relations Commission's Wages and Allowances Review (AIRC-W&A). For the information of the Committee, copies of these submissions are attached and are referred to later in this submission.

ACCER has made numerous submissions to the Australian Fair Pay Commission (AFPC) and, as outlined in the submission to the AIRC-W&A Review, has expressed concern at errors in the logic used by the AFPC to set the Federal Minimum Wage (FMW). For example, the figures used by the AFPC in setting the FMW overestimate the living standards of low paid families and the financial rewards from workforce participation. The figures used by the AFPC in relation to single parents, for example, do not reflect the true costs of working full time or part time (because they do not include the costs of child care) and the impact that they have on job participation. The AFPC has used the "single person without dependants" as its reference point for determining whether the level of the FMW is reasonable. In doing so, it has failed to take proper account of the needs of workers with dependants and has failed to have proper regard for the *Family Responsibilities Convention* and anti-discrimination laws that protect workers with family responsibilities.

ACCER has also published numerous discussion papers about important policies including: *The Tax Debate and Wages Policy* and *Workplace Relations: A Catholic Perspective*. These and similar documents can be provided if the Committee is interested.

## Issues

This submission does not comment at length upon each of the six issues identified in the Terms of Reference of the Inquiry. However, for simplicity of discussion, this submission will follow the same sequence.

### 1. The adequacy of current data to reliably monitor employment changes that may impact on pay equity issues;

It is noted that studies and related data regarding employment changes that may impact upon pay equity issues are not comprehensive. Some studies are particularly valuable. Such studies that have been recently released include the Australian Institute of Family Studies (AIFS) research paper *Timing of mothers' return to work after childbearing (variations by job characteristics and leave use)* and the report by the Australian Public Service Commission that public sector women who take maternity leave are less likely to be promoted after their return to the workplace.

The Committee will also be aware of research by Cooklin, Rowe and Fisher, published in November 2007 in the Australian and New Zealand Journal of Obstetrics and Gynaecology that found that 69% of women experienced at least one form of workplace adversity during pregnancy. "Almost one in five women reported pregnancy-related discrimination from their employer or at their workplace during their pregnancy". It also found that only 60% of the sample studied was able to access (even unpaid) maternity leave. Most of the sample were employed fulltime and had not interrupted their careers for childbearing prior to the immediate pregnancy. The study concluded that "there is a high level of misinformation and a lack of knowledge about women's rights at work around the birth of a baby, both on the part of the employer and employee. Despite the legislative provision, unpaid maternity leave is still regarded as a privilege and not a right by many employees.....Access to maternity leave was disproportionately higher for women who were working in professional, associate professional and managerial occupations...and women who were already marginalised in the workforce were further disadvantaged by not having any income protection or any guaranteed job to return to after the birth".

These and similar studies offer great insight into specific issues regarding women's participation in the workforce. However, there does not appear to be any holistic study that "pulls together" all of the studies about disparate, but related, issues regarding this important issue. Perhaps the deliberations of this Inquiry will go some way towards this objective.

### 2. The need for education and information among employers, employees and trade unions in relation to pay equity issues;

The study by Cooklin et al, cited above, found that "there is a high level of misinformation and a lack of knowledge about women's rights at work around the birth of a baby, both on the part of the employer and employee". The

experience of ACCER is that, even among employers who are well intentioned, there are sometimes serious misunderstandings about what constitutes discrimination or lack of equity.

The report by the Australian Public Service Commission illustrates that the problem can exist in all areas of employment. The Australian Public Service has had paid maternity leave for more than 30 years and has an overtly proactive anti-discrimination program. However, the career outcomes for women in the Public Service in the years following childbirth would indicate that there is still a problem that requires addressing. If this study by the Australian Public Service Commission could be repeated each year, it would offer a valuable benchmark as to whether or not this apparent systemic discrimination was declining in the Public Service.

The problem of pay equity and related discrimination will not be solved by a few pamphlets or by a one-off media campaign. On-going education, information dissemination and genuine commitment and enforcement by employers are required across all sectors.

3. Current structural arrangements in the negotiation of wages that may impact disproportionately on women;

Much is made of “glass ceilings” and similar discrimination against women in the workplace. But the women who are often ignored in discussions about workplace equity are women at the bottom of the pay scale. For a variety of reasons most women are dependant upon basic award conditions and a large number are dependant upon the minimum wage.

Those women on the Federal Minimum Wage (FMW) are particularly disadvantaged. The ACCER submission to the AIRC-W&A Review (discussed above and attached) demonstrates (page 18) how, even between July 2006 and December 2007, the FMW declined substantially relative to the Henderson Poverty Line. This is a serious issue, especially when it is compounded by errors in the logic used by the AFPC to set the FMW. Many women with limited bargaining power have been unjustly affected by this situation. Social Inclusion demands that it be rectified.

The shift in recent years from awards to individual contracts has particularly disadvantaged women, especially those with family responsibilities and/or limited skills and thus bargaining power. It will be interesting to see whether or not the promised legislative changes to address the more extreme features of Work Choices will address this situation to any extent.

4. The adequacy of recent and current equal remuneration provisions in state and federal workplace relations legislation;

As the Committee will be aware, there are numerous requirements in various state and federal legislation requiring equality of pay. However, as the Committee will be aware and as illustrated in examples cited above, it is more difficult to implement than to legislate. Some standardisation of legislation

regarding these matters would be helpful. But constant reinforcement and enforcement of these requirements in the workplace is needed to effect genuine change.

5. The adequacy of current arrangements to ensure fair access to training and promotion for women who have taken maternity leave and/or returned to work part time and/or sought flexible work hours;

One of the findings of Cooklin et al, in the study cited above, was that “almost one in five women reported pregnancy-related discrimination from their employer or at their workplace during their pregnancy”.

The report by the Australian Public Service Commission that women who take maternity leave are less likely to be promoted in the years after their return to the workplace demonstrates that current arrangements to ensure fair access to training and promotion for women who have taken maternity leave and/or returned to work part time and/or sought flexible work hours are not adequate. That such discrimination has occurred in a workplace that actively promotes equity is a matter for genuine concern.

6. The need for further legislative reform to address pay equity in Australia.

As noted, legislative reform alone will not solve equity problems in Australia. But legislative reform is an important part of the overall strategy that must be implemented to address equity. As suggested in the title of this Inquiry, pay equity is not the only issue related to increasing female participation in the workforce. There are numerous other matters that need to be addressed.

Any legislative reform to address pay equity in Australia must also address paid maternity leave and related issues such as flexible and graduated return to work after child bearing. The submission by ACCER and CSSA to the Productivity Commission’s Inquiry into Paid Maternity, Paternity and Parental Leave (referred to above and attached) outlines a viable option for these arrangements. Note that Catholic Church Agencies are both a major employer and an advocate for reform. We will enthusiastically participate in any viable initiative to address these issues.

Any legislative reform to address pay equity in Australia must also include stronger anti-discrimination legislation and related, realistic, enforcement arrangements. Studies by Cooklin et al and the Australian Public Service Commission, discussed above, demonstrate that current arrangements are inadequate.

## **Conclusion**

Thank you for the opportunity to discuss these important issues. If the Committee wishes to discuss these matters with representatives of the Catholic Church or its Agencies, we would be happy to cooperate.

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Australian Catholic Bishops Conference  
August 2008