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HOW A WELFARE APPROACH TO MATERNITY HAS FACILITATED LOW WORKFORCE PARTICIPATION RATES FOR AUSTRALIAN WOMEN OF CHILD-BEARING AGE

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Abstract

Australia is only one of two OECD Countries that has no legislated universal paid maternity leave scheme. It also ranks eighth lowest in the OECD for the workforce participation rate of women of child-bearing age. This paper examines why consecutive Australian governments have opted to provide a welfare approach to the issue of maternity rather than encourage and embrace women's workforce participation by providing legal entitlements within an employment relations context. The paper examines the history of welfare and paid maternity leave in Australia through an institutional framework in which society, politics and the economy become the bases for the argument. By using this framework for the examination, the paper aims to provide an understanding for the comparatively low workforce participation rate of women of child-bearing age observed within Australia.

Introduction

Interest in Australia's ageing population and its expected impact on future workforce participation and economic growth dominates the research and the policy agenda (Access Economics, 2007; Jorgensen, 2005; Guest and McDonald, 2000). Of particular concern is the potential burden the mass departure of older workers will have on younger workers and the loss of irreplaceable levels of experience. While much of the research; such as that by Patrickson and Ranzijn (2004); has focused on how best to encourage older Australians to remain or rejoin the workforce in order to relieve the burden, less consideration has been given to how best to encourage other, lower represented segments within labour market to participate. A study by Abhayaratna and Lattimore (2006) found that even though Australia's overall workforce participation rates for males and females were above the Organisation for Economic Co-operation and Development (OECD) average, relatively low participation rates were recorded for women of child-bearing age (25 to 44 years). Abhayaratna and Lattimore (2006) draw attention to the fact that a participation rate of 72.9 per cent for Australian women with children aged under six was the eighth lowest in the OECD, lagging well behind Sweden, which boasts the highest with an 86.4 per cent workforce participation rate for women in the child-bearing age group.

While differences in participation rates between OECD countries for women of child-bearing age may reflect divergent forms of data collection, the absence of paid maternity leave has nevertheless been highlighted as a potential barrier to workforce participation for Australian women in the child-bearing age group (Brown, 2008). This paper will examine why consecutive Australian governments have opted to provide a welfare approach to the issue of maternity rather than encourage and embrace women's workforce participation by providing legal entitlements within an employment relations context. The paper will examine the history of welfare and paid maternity leave in Australia through an institutional framework in which society, politics and the economy become the bases for the argument. The social, political and economic paradigms are identified as the traditional modes in which society is formed (Gellner, 1974) and form a framework used by many researchers (Gellner, 1974; Green, 1987; Rostow, 1990; Temple, 1998). The social, political and economic paradigms have spawned from the traditional theory of liberalism and conservatism (Green, 1987). In using these paradigms as a framework for the examination, this paper aims to provide an understanding of the comparatively low workforce participation rate of women of child-bearing age observed within Australia.

In Australia 57 per cent of the female population partake in paid employment, making up 45 per cent of the Australian workforce (Australian Bureau of Statistics, 2007). This is the highest rate in Australian history, and these figures are forecast to rise, especially in lieu of the fact that male participation in the Australian workforce is decreasing (Australian Bureau of Statistics, 2007). Whilst women's participation in the workforce is increasing, it is important not to forget the fertility crisis that has presented itself to the Australian population. With an ageing population, Australia is in great need of a population increase in order to support the Australian economy and the elderly (Richardson, 2006). On top of this, Australia is also faced with the problem of a skills shortage (McDonald, 2000). In order to cater to these various demands, structures need to be in place to not only motivate Australian women to have children, but also to facilitate women to participate in paid employment (Baird, Brenna and Cutcher, 2002; Baird, 2004).

Despite the creation of the government organisation 'Equal Opportunity for Women in the Workplace Agency' (EOWA), in 1999, women are still being marginalised in the Australian workforce, as the standards set by Australian government institutions are below some of the International Labour Organisation's (ILO) standards (Romeyn, 2007). Since 2004, the EOWA has promoted 'Employers of choice for Women' (EOCFW). 'EOCFW is a prestigious acknowledgment by EOWA of organisations that are recognising and advancing women in the workplace' (EOWA, 2007a). In order for an

organisation to label itself an 'employer of choice for women', it needs to adhere to certain criteria. Organisations must offer a minimum of six weeks' paid maternity leave after 12 months of continuous service (EOWA, 2007d). The ILO standard is 14 weeks' paid maternity leave (ILO, 2007). Also, in order to be an employer of choice for women, the organisations must have a pay equity gap of no more the 17 per cent between the average male and female salaries at each level (EOWA, 2007d). But why is there any gap at all?

The ILO is a United Nations specialised agency, founded in 1919, that seeks the promotion of social justice and internationally recognised human and labour rights. The ILO brings together governments, employers and workers of its member states, in common action to promote decent work throughout the world (ILO, 2008a). A principal focus of the ILO over the course of the last 90 years has been maternity protection: in fact one of the first instruments adopted by the ILO was the *Maternity Protection Convention 1919* (no.3). The adopted Convention decided 'upon certain proposals with regard to women's employment, before and after childbirth, including the question of maternity benefit' (ILO, 2004). While the Convention has undergone various revisions (1952 No. 103 and 2000 No. 183) since its inception, even from the outset it sought for 'sufficient benefits to be paid for the full and healthy maintenance of mother and child' (ILO, 2004). The most recent revision, May 2000, was instigated 'in order to further promote equality of all women in the workforce' and raised the recommended entitlement of 'maternity leave to not less than 14 weeks' (ILO, 2006). However, this growing commitment on behalf of the ILO to support mother and baby has not been met with the same level of enthusiasm by member states, with only 17 having ratified Convention No.183 as at 30 April 2009 (ILO, 2009).

Despite the low levels of ratification, an ILO press release in 1998 declared that 'more than 120 countries around the world provide paid maternity leave and health benefits by law', thus making it an industrial feature that is present in both the developed and developing world, as countries such as Poland, Thailand, India and the Philippines have all legislated some form of universal paid maternity leave benefits. While Australia has been a member state of the ILO since its foundation, and promotes itself as 'playing an active role in the work of the Organisation' (Department of Foreign Affairs, 2008), it has neglected to ratify any of the ILO Maternity Protection Conventions and does not currently legislate for universal paid maternity leave benefits.

The Social Paradigm

The social paradigm revolves around two dimensions of content and structure (Culbertson, Jeffers, Stone and Terrell, 1993). 'Content refers to what people believe and how they believe; structure deals with relationships among one or

many peoples' (Culbertson et al, 1993). In the context of this research, the social paradigm refers to the relationship between the Australian government, the issue of maternity leave and the way in which Australian mothers are accounted for in legislation.

Throughout Australian history, providing women with a welfare payment as opposed to legislated paid maternity leave has had a number of social implications for Australian society, including lowering infant mortality (Kewley, 1980), addressing fertility crises (Treasury, 2006) and providing an 'equitable' payment available to all families to help with the enduring costs of a new baby (Family Assistance, 2007).

The decision of the Fisher Government in 1912 to introduce the Maternity Allowance was done so on the basis that it would lower infant mortality (Kewley, 1980), while the purpose of neither means nor character testing was to remove any 'stigma of charity from it' (Kewley, 1974, p.104).

At the time Prime Minister Fisher stated that the allowance was intended:

to protect the present citizens of the Commonwealth and to give to coming citizens a greater assurance that they will receive proper attention at the most critical period in their lives (Lake, 1999, p.75).

Also:

Such an allowance would be the means of helping poor parents to tide over an anxious period, and ensuring their offspring's health, and perhaps lives, shall not be jeopardised in the dawn of existence (cited in Kewley, 1974).

While supporting Australian families was the official stance of the Australian government, the issue of under-population in Australia was a lingering issue, as 'Populate or Perish' was the catch phrase of the time. Many Australians believed that the Maternity Allowance was a ploy that would encourage 'Australian citizens' to populate (Borrie, 1948).

At the time *The Bulletin* released this statement:

To level the miracle of birth to a cash nexus, to involve the sacredness of parenthood and the ineffable relations of mother and child in a scheme and payment by results, is a grossness from which even the political mind should shrink as from pollution from a thing essentially divine (cited in Kewley, 1980, p.22).

Despite such claims from the public, a Royal Commission on National Insurance was conducted by the Bruce-Page Government in 1923 to examine the effectiveness of the Maternity Allowance, revealing that:

the maternity allowances, although claimed by many who did not need them, has brought a measure of much needed assistance to a great deal of homes, and had also led to an increase in the number of women attended by doctors at confinement (Kewley, 1980, p.24).

Between the period of 1912 and 1978, the structure of the Maternity Allowance changed dramatically in order to adapt to the changing economic climate (Mendelsohn, 1979). In 1931, after the depression, the Maternity Allowance became means tested and the amount varied depending upon the size of the family (Borrie, 1948; Kewley, 1974). The reason for changing the allowance was that:

the demand for the economy in public expenditure required that the allowance be restricted to those who were the more likely to be in need of it (Kewley, 1974, p.116).

The Maternity Allowance was restored to being a non-means-tested allowance in 1943. In the early seventies the Government opted to provide further financial support via 'hospital, medical and pharmaceutical benefit schemes' to those people who were eligible (Kewley, 1974, p.258). However, in 1978, under the Fraser Government, the Maternity Allowance was abolished since the government felt that it had become 'unnecessary government expenditure' (cited in Kewley, 1980). In the Budget speech of 1978-79 the Treasurer of the time, John Howard, stated that 'the Maternity Allowance had become superseded by health care and family allowances' (cited in Kewley, 1980).

Howard, at the time, was referring to the fact that the original purpose of the Maternity Allowance had become obsolete. While the original intention of the Maternity Allowance was to aid all families with financial strains that were the result of having a new child and to help in lowering infant mortality, the 'testing' of the Maternity Allowance meant that only a small percentage of the population were able to access financial support made available via the allowance (Kewley, 1980; Mendelsohn, 1979).

Even when the allowance once again became non-means-tested, the financial support that was given was not a substantial amount to pay for medical attention. Financial support that was needed for hospital care was to be granted via other benefit schemes, only available to those that qualified. It is argued that the elimination of the Maternity Allowance in 1978 was 'without

fuss, because the benefit had been redundant for twenty years' (Kewley, 1980, p.218).

In 1996 the Keating Government reintroduced the Maternity Allowance as part of the *Social Security Legislation Amendment (Family Measures) Act 1995*. The allowance was:

paid at a rate equivalent to six weeks of Parenting Allowance for each child born. Initially the rate was \$840.60. It was also paid for still-born children, adopted new-born children and children who died soon after birth. Families who met the Basic Family Payment income and assets test were eligible (Daniels, 2006).

The payment was reintroduced by the Keating Government 'for parents who want to stay home with their children' and to act as a parenting allowance (Keating, 1996). In July 1995 the Keating Government also introduced the Parenting Allowance, a fortnightly payment given to families, subject to an income test (Daniels, 2006).

The social implication of reintroducing a means-tested welfare maternity payment meant that families in the lower socioeconomic levels were able to access financial support in order to counteract the financial burden that a new child can have upon new parents (Daniels, 2006).

In 2004 the Howard Government reintroduced the 'Maternity Payment', better known as the 'Baby Bonus' (Family Assistance, 2007). Initially the payment was \$3000 and available to all new mothers irrespective of their work arrangements and indexed in line with the Consumer Price Index in March and September each year (Hill, 2006). Since 2004 the payment has increased to \$4,187, on July 1st 2008 the payment rose to \$5000. Since 2005 the Baby Bonus has also come to include payment for adopted children under the age of two years (Daniels, 2006). In May 2008, the Baby Bonus became means tested, and families and individuals earning over \$150,000 per year as of January 2009 were no longer be eligible to receive the welfare payment (SBS, 2008).

The Baby Bonus was introduced in 2004 in order to 'help families with the cost associated with caring for a new baby' (Family Assistance, 2007, p. 2). But, much like the introduction of the original Maternity Allowance of 1912, many Australians believe that the introduction of the Baby Bonus was a ploy to encourage Australian families to have more children (Lunn and Wilson, 2008). This belief was fuelled in 1996 by the former Treasurer, Peter Costello, releasing a statement asking all Australian families to have three children: 'one for mum, one for dad and one for the country', to help counteract the ageing population and the declining fertility rate (Treasury, 2006).

The Howard Government's decision to introduce a 'Baby Bonus', as opposed to universally-paid maternity allowance, was also due to its belief that paid maternity leave discriminates between those women who participate in paid employment and those who don't (Baird et al, 2002).

The President of the Australian Council of Trade Unions (ACTU), Sharon Burrow, responded to such arguments with:

[C]laims of discrimination make no sense. First, maternity leave payments – like all employment benefits such as wages, annual leave or sick pay – are, of course, only available to people in the workforce. For Mr Howard to argue against paid maternity leave because it discriminates against non-working women is as silly as arguing that annual leave or sick leave payments should be abolished because they discriminate against the unemployed. Second, introducing paid maternity leave for working women in no way prevents or hinders governments from also providing adequate family support to women who are not in the workforce (Burrow, 2002).

While working mothers are being neglected, some argue that the Baby Bonus is being exploited and ill used by drug addicted parents and youth as a form of income (Macklin, 2008).

Through an examination of the social paradigm it is evident that since 1912 Australian governments have opted to provide Australian families with money from a welfare approach, rather than legislating for universal paid maternity leave. While this decision has had consequential social implications such as lowering infant mortality, these payments do not taken into account the implications that having a child can have upon women who choose to participate in paid employment (Baird, 2004), as welfare payments do not recognise the dual responsibilities of motherhood and paid employment (Baird, 2004, p. 261).

The Political Paradigm

Politics and the political paradigm are defined as 'the relationship between leaders and non-leaders in any social grouping' (Culbertson et al, 1993). The 'political' paradigm is more than just the government institutions which govern a society: it is the issues which are discussed within this context and also the people who are involved either directly or indirectly with these issues. For this research, the political paradigm includes political institutions, the Australian Government and the International Labour Organisation. 'Political' as a term is also used to describe the nature of the debate surrounding the matter of paid maternity leave, which in this research is considered to be a 'political issue'.

As discussed previously, Australia has had a long history of opting for providing a welfare payment to women as opposed to choosing to legislate for universal paid maternity leave (Kewley, 1980; Mendelsohn, 1979; Daniels, 2006) and it was argued that this has had a profound effect on Australian women in a 'social' context. This paper will now demonstrate how the absence of universal paid maternity leave has also had many political implications.

The introduction of the Maternity Allowance in 1912 was one of the first times the Federal Government of Australia used new constitutional powers giving it the power to execute welfare policies. Prior to 1901, there had only been State initiatives (Mendelsohn, 1979, p. 37). At the time of Federation, while 'welfare' became a Federal issue, aside from the creation of the Commonwealth Conciliation and Arbitration Commission, the States of Australia all retained their powers in terms of settling industrial disputes and determining wages and conditions (Mendelsohn, 1979, p. 37). This was still the case until the introduction of the *Workplace Relations Amendment (Work Choices) Act 2005*.

While the introduction of a welfare payment is not in line with ILO *Maternity Protection Convention (No. 183)* (ILO, 2007), the Australian Government's industrial relations policy on unpaid parental leave is in line with the ILO *Workers with Family Responsibilities Conventions and Recommendations (No.156)* (ILO, 2008b). The ILO *Maternity Protection Convention (No. 183)* states that all working women should have access to 14 weeks' paid maternity leave (ILO, 2007). The *Workers with Family responsibilities Conventions and Recommendations (No.156)* Convention, on the other hand, focuses upon the responsibility of industries to be 'family friendly' and provide flexible working arrangements in order to suit the demands of being a family. In doing this, though, the recommendations are general and ambiguous and there are no references to paid maternity leave (ILO, 2008b).

In November 1973, the Whitlam Government legislated for 12 weeks' paid maternity leave to all female public servants through the *Maternity Leave (Commonwealth employees) Act of 1973* (O'Neill, 2004). The aim of the government at the time was to act as pacesetter (Deery and Plowman, 1980). Although Clyde Cameron, then Minister for Labour, argued strongly on behalf of the Government that it did not want a macro legislative 'flow on' effect of its policy:

If any attempts were made to bring about a flow on to private employees as a consequence of this, the Government would oppose it. If the matter came before the Conciliation and Arbitration Commission, the Government would be prepared to intervene and officially oppose it (Cameron, 1973).

Despite attempts by the Women's Electoral Lobby (WEL) to encourage a legislative 'flow-on' effect, no universal paid maternity leave legislation was established, while fears of a backlash from the business sector and negative consequences for the economy generally did not initiate a flow-on effect into the private sector (Baird, 2004).

Regardless of the absence of legislative paid maternity leave, some organisations have opted to provide maternity leave benefits to female employees in order to compete with Government standards. In 1984, the public sector employed 26 per cent of all employees; in 2005 this had shrunk to a mere 16 per cent (Parliamentary Library, 2006). It could therefore be argued that the Australian Government does not have the ability anymore to act as a pacesetter and wait for the private sector to follow suit (Plowman, Fisher and Deery, 1980, pp. 97-139); if universal paid maternity leave is to be introduced it has to be legislated by the Federal Government.

Politically, paid maternity leave is perceived as a women's issue. In the last decade, the most prominent advocators for paid maternity leave have been The Women's Electoral Lobby, the Australian Council of Trade Unions under the lead of Sharon Burrow, the former Sex Discrimination Officer Pru Goward, and former Democrats leader Natasha Stott Despoja. While the ACTU has been a long-time advocate of gaining maternity leave for female workers, when Sharon Burrow became president in 2000 the ACTU not only started to take a more proactive position on gaining *paid* leave, but it also took on a more 'female friendly' approach to its instalment. This can be attributed to the rise of female employment and consequently the rise in female trade union membership (ACTU, 2002).

In 1973 after the Whitlam Government legislated for 12 weeks' paid maternity leave to all public servants through the *Maternity Leave (Commonwealth Employees) Act of 1973* (Smith 1988), the ACTU sought a flow-on effect into the private sector. At the time though, the ACTU was calling for business-funded paid maternity leave. NGOs such as WEL believed that if paid maternity leave was business funded in the private sector, this would lead to discrimination against female employees (Sawer, 2008, p.14).

During the period of 1973-2001 the ACTU brought forward to the Arbitration Commission, and to the subsequently renamed Australian Industrial Relations Commission, the Maternity and the Parental Leave Test Cases. The test cases were successful in gaining 52 weeks unpaid maternity/parental leave for all employees with more than 12 months' continuous service (Baird et al, 2002, p. 5). In 2001, however, under the lead of Ms Burrow, the ACTU launched a campaign for the introduction of universal paid maternity leave. The key

provisions included a minimum of 14 weeks' paid maternity leave, six weeks' compulsory leave after childbirth, payment during maternity leave as a right, protection from dismissal and discrimination, a right to breastfeed at work and health protection (Long, 2001).

Ms Burrow's approach to universal paid maternity leave represented a new phase in the ACTU, which has traditionally been male dominated in its leadership and policy. In July 2001, Ms Goward was appointed Sex Discrimination Commissioner. Two months after her appointment, Goward announced her support for paid maternity leave, stating that she believed there was:

not enough support for women to have children Unless you pay somebody ... to stay at home and have children, you still might not have the desired effect. Women still might not be choosing to have children because they feel it's no real choice (Goward, 2001).

Goward headed the Human Rights Equal Opportunity Commission's (HREOC) interim paper *Valuing Parenthood: Options for Paid Maternity Leave in 2002*. Released in 2002, the paper proposes that the Australian Government should provide for 14 weeks' paid maternity leave to all working women, at a supplemented level, equal to that of a minimum wage (HREOC, 2002a). Despite being supported by the Australian Council of Trade Unions (ACTU), as well as the Women's Electoral Lobby (WEL) and the Australian Industry Group (AIG), the interim paper which included suggestions of where and how the leave should be paid was rejected on the basis that providing paid maternity leave is too expensive, and that it differentiates between women in paid and unpaid employment. At the time, Finance Minister Nick Minchin labelled paid maternity leave 'middle class welfare' (Minchin, 2002).

In 2007, the Australian Democrats re-introduced historic Federal legislation to establish paid maternity; the *Workplace Relations (Guaranteeing Paid Maternity Leave) Amendment Bill 2007*. The Bill was an extension of Australia's already existing unpaid maternity leave legislation and called for a Government funded 14 weeks' leave at the minimum wage on the birth or adoption of a child (Stott Despoja, 2007a, 2007b).

In January 2008, the Labor Party's Workplace Relations Minister, Julia Gillard, working with Treasurer Wayne Swan and Family and Community Services Minister Jenny Macklin, drafted the terms of reference for an inquiry to examine the effectiveness of different models of paid maternity leave, including expanding current schemes or determining whether a government-funded scheme could work alongside existing privately-funded schemes (SMH, 2008). The Productivity Commission was tasked with undertaking the public

inquiry and concluded its final report to Government on 28 February 2009. In the report, the Productivity Commission recommended that the Australian Government's statutory paid parental leave scheme should provide paid parental leave for a maximum of 18 weeks at the Federal Minimum Wage (currently \$543.78) for each week of leave for those eligible, and that the scheme should be taxpayer-funded, but with scope for the future introduction of employer-funded superannuation contributions (Productivity Commission 2009).

As part of the 2009-10 Budget, the Australian Government announced its intention to introduce a Paid Parental Leave (PPL) scheme closely based on that proposed in the Productivity Commission's final inquiry report. The proposed scheme will offer 18 weeks' paid leave at the Federal Minimum Wage and will be income tested; a test of \$150,000 will apply based on the primary carer's adjusted taxable income in the previous financial year. It is expected that legislation for the scheme will be introduced to Parliament in 2010 and that the scheme will come into effect on 1 January 2011 (Commonwealth of Australia 2009).

The political implication of providing a welfare payment and not immediately legislating for universal paid maternity leave means Australia remains as only one of two OECD countries that does not have universal paid maternity leave; the other being the United States of America. Whilst a universal scheme is now promised, its implementation is not scheduled until after the 2010 Federal election, meaning that while it is a significant step in the direction of a universally-funded paid maternity leave scheme, it's not here yet!

The Economic Paradigm

The economic paradigm or context is argued to be the most important paradigm of the three (Culbertson et al, 1993). This is because economics controls us all, as individuals, organisations and societies, all operating within an 'Economic Circular Flow'. Within this Economic Circular Flow, four major realms exist, which bind all aspects of civilisation together: the household sector, the business sector, the government sector, and the foreign sector (Culbertson et al, 1993, p.103; Chang, 1990). In lay terms, economics is all around us, and is the substance of society today.

In the words of Fred Ebb (1972): 'money makes the world go around'. By taking an economic look at the issue of paid maternity leave in Australia, the aim is to understand how economics and money have shaped the debates that surround the issue of paid maternity and maternity allowances.

The issue of maternity and relevant legislation has had an intertwined and extravagant relationship with the economy across different sectors. On one hand the Australian economy has the ability to dictate government finances; on the other, the finances and economies of non-government organisations and industries can affect the government and in turn be affected by paid maternity leave and maternity-related legislation.

The former Howard Government's stance on paid maternity leave was that it should be achieved in one of three ways: through either the use of enterprise bargaining, award arbitration or company policy. While enterprise bargaining was regarded as the most appropriate mechanism for gaining paid maternity leave, the Howard Government also believed that paid maternity leave should fall back on award arbitration and company policy (Baird, 2003; Baird, 2004; Strachan et al, 2000; Strachan et al, 2004; Burgess, Sullivan and Strachan, 2002). This perspective is in line with Australia's industrial climate, in which we can see the deregulation and decentralisation of the Australian industrial relations system, dating back to the Accord of the 1980s (Deery, Plowman and Walsh, 1997; Chapman, 1998, p. 631).

Since the 1980s, successive Australian Governments have taken decisive action towards becoming a decentralised state; this is not only reflected in changing maternity policy but also in terms of the wider industrial context, i.e. the growth of enterprise bargaining and a movement away from an Award based system. Sappey, Burgess, Lyons and Buultjens (2006) describe the economic process of neo-liberalism as:

reducing the size and scope of the public sector, placing pressure on trade unions, enhancing the powers of managers and removing 'impediments' to market adjustment, including minimum wages and base (award) conditions. In this process, the role and responsibilities of the government in the economy have been reduced and the government as a last resort employer and model for enlightened employment conditions is diminished (Sappey et al, 2006, p.108).

As part of neo-liberal economic policy, the role of the State is to produce the institutional frameworks needed for the economy and free market to function. Aside from this purpose, State intervention should be kept to a minimum (Harvey, 2005, p.2). Despite enterprise bargaining being argued as the most efficient way of achieving paid maternity leave, only a small percentage of women in the private sector have paid maternity leave. In 2007 48.9 per cent of large organisations were found to provide paid maternity leave to female employees (EOWA, 2008f). Research by EOWA (2007b) has also found that 76 per cent of women employed in the public sector had accessed paid maternity leave, compared to a mere 25 per cent of women working in the private

sector. What's more, only 19 per cent of small and medium enterprises provide any paid maternity leave (EOWA, 2008f). Clearly, enterprise bargaining is not achieving paid maternity leave for the majority of women.

In support of businesses, one big argument against forming compulsory paid maternity legislation is the belief that small businesses will not be able to provide for it financially. This is a particularly important fact as small business employs approximately 70 per cent of all female workers and is the largest employer of women in Australia (Australian Bureau of Statistics, 1997), and it may result in employers discriminating against employing female employees (Baird, 2002b). In recent years claims for Government-funded paid maternity leave have been rejected on the basis that it is too expensive (Democrats, 2007). The 2001 ACTU campaign for universal paid maternity leave was rejected on such grounds (Long, 2001). Prime Minister John Howard released this statement at the time:

I don't think anybody argues against the desirability of ... paid maternity leave, but if a firm can't afford it then it shouldn't be forced to provide it, because if it does that will result in fewer being available... people should look at the issue entirely on a firm-by-firm, enterprise-by-enterprise basis (Howard, 2001)

Research by the Australian Democrats in 2007 shows that the implementation of their Bill *Workplace Relations (Guaranteeing Paid Maternity Leave) Amendment Bill 2007* would cost around \$591.6 million in its first year of operation. HREOC costed a similar model of paid maternity leave in *A Time To Value* at \$219 million in 2005-2006 (Stott Despoja 2007a). As the Australian Defence 2006-07 Budget had an additional \$1.9 billion added to its previous budget for the acquisition of the Boeing C-17 Globemaster III (Nelson, 2006), and the 2006-2007 Budget had a \$10.6 billion surplus (Australian Government, 2006), \$591.6 million is by no means an excessive amount by today's standards.

The economic effect of an absence of legislated universal paid maternity leave has been that if private business chooses to provide paid maternity leave, it must do so of its own accord. While providing paid maternity leave may be used as a recruitment tool, as a business may appear to be more 'attractive' (EOWA 2007c), for many small businesses it is not financially possible, and this prevents many them from implementing such leave of their own accord. This is an important fact because small business is the largest employer of women in Australia (Australian Bureau of Statistics, 1997).

Clearly the relationship between maternity leave benefits and Australian economics is intertwined. While financial constraints may be the basis for the

absence of universal paid maternity leave, further research into the real costs associated with proposed schemes shows that this argument may not be viable.

Conclusion

As declared at the outset of this paper, the absence of paid maternity leave has been highlighted as a potential barrier to workforce participation for Australian women in the child-bearing age group. The paper has examined the history of welfare and paid maternity leave in Australia using an institutional framework in which society, politics and the economy were the bases and framework for the argument. While Australian governments have advocated against the legislation of universal paid maternity leave, the allocation of welfare payments in relation to maternity and child rearing has been a prominent feature throughout Australian history, dating back to 1912. In examining the welfare approach it is evident there has been a clear lack of support and enthusiasm by consecutive Australian governments to encourage and embrace women's workforce participation by providing legal entitlements within an employment relations context. This paper has given some account to the potential barriers faced by Australian women of child-bearing age in workforce participation and provided an understanding as to why the workforce participation rate of women of child-bearing age observed within Australia is ranked lowly compared to other OECD nations.

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