

**Speech by Ai Group Chief Executive, Innes Willox, at the launch of the Australian Human Rights Commission report - Supporting working parents: pregnancy, parental leave and return to work national review**

**25 July, Sydney**

**CHECK AGAINST DELIVERY**

The Australian Industry Group welcomes the launch today of the Australian Human Rights Commission's (AHRC's) report on '*Supporting Working Parents: National Review on Pregnancy, Parental Leave and Return to Work*'.

The report will provide a very valuable information source to inform policy makers, employers and others about the issues that employees face and the experiences that many have as a result of pregnancy, parental leave and return to work.

The report will certainly raise awareness of the issues and this in itself is a good thing. The publicity generated by the report will no doubt lead to employers being more conscious of the negative experiences which many employees face, and the need to put in place policies and strategies to create a more positive and supportive environment.

Practical measures are needed to address the issues and we look forward to participating in the debate over the period ahead about what changes should be made.

Employers have a direct interest in ensuring that measures introduced in response to the report are not only workable but are successful.

Employers lose out when experienced and skilled employees exit the workforce rather than returning to work after parental leave. The costs are well recognised and include recruitment costs, training costs, reduced productivity and many others.

Also, employers have a strong and direct interest in ensuring that workforce participation levels in Australia increase given skill shortages and the problems of Australia's ageing population. As highlighted in the Productivity Commission draft report on *Childcare and Early Childhood Learning* which was released earlier this week:

- While the workforce participation of Australian women has grown substantially over the past 30 years, Australia's maternal employment rate of 62% remains below the OECD average of 66% and trails that of many other countries;
- More employed mothers work part-time (58%) than full-time, and the proportions are the same as they were 20 years ago; and
- A large proportion of mothers do not participate in the workforce for the first few years following the birth of their child. The report states that 46% of mothers with a child of up to 4 years of age are not in the workforce, but this drops to 24% for mothers of children between 5 and 9.

Clearly more can be done to encourage mothers to return to work after taking parental leave.

As the Productivity Commission draft report shows, childcare cost and availability are very important. But as the AHRC report being released today shows there are other very important issues that need to be focussed on.

Key areas that need to be addressed to support pregnant employees, those on parental leave and those returning to work after parental leave include:

1. Increased education of employers and employees about their rights and obligations;
2. Sharing of best practice approaches and practical solutions;
3. Further research; and
4. Removing barriers in awards and legislation which are impeding employers and employees from reaching agreement on flexible work arrangements.

The **first area** that needs attention is **education of employers and employees about their rights and obligations**.

Even though of course sometimes further regulation is necessary, this should be a last resort, particularly in an area like this where the support of employers is essential if meaningful changes are to occur.

A central message in the report is the need for further education of both employers and employees.

We support Recommendations 1 and 2 in the report which are aimed at:

- Educating employers, employees and others in the community;
- Encouraging employees to train their staff;
- Assisting employers to review their policies and procedures; and
- Identifying and removing harmful stereotypes.

This is exactly what is needed in response to the problems identified in the report.

Focussing on these important areas would bring employers along in a positive manner, whereas heavy-handed regulatory responses are likely to generate negative views amongst employers which would be counter-productive.

The **second area** that needs attention is the **sharing of best practice approaches and practical solutions**

A number of Ai Group member companies participated in the roundtable discussions held during AHRC's National Review on Pregnancy, Parental Leave and Return to Work, and shared their experiences and the approaches that they had implemented to support pregnant employees and those on, or who had returned from, parental leave.

Some of the leading practices shared by Ai Group members are referred to in the useful section of the report dealing with this topic.

Some of the leading practices implemented by Ai Group member companies include:

- Allocating a manager or 'buddy' to an employee who is on parental leave who is responsible for providing the employee with workplace updates, and generally keeping in touch with the employee;
- Implementing a framework for keeping in touch days;
- Inviting employees that are on parental leave back to the workplace to participate in annual performance and salary reviews;

- Implementing reconnect programs for employees returning to work from a period of parental leave;
- Making development and/or training programs available to employees on parental leave and to those employees who have returned to work on a part-time basis;
- Implementing policies and procedures which enable particular jobs to be performed on a flexible basis.

Of course not all employers have the capacity to implement leading practices at their workplace, particularly small businesses, but this does not mean that employers are not keen to do what they can and to understand what has worked in other businesses.

The **third area** that would be worthwhile is further **research**.

This is identified in Recommendation 4 in the report which Ai Group supports. Clearly there are some gaps in the research, as AHRC has identified, and these should be focussed upon.

The **fourth area** that needs to be focussed upon is **removing barriers in awards and legislation which are impeding employers and employees from reaching agreement on flexible work arrangements**

Flexible work arrangements are common nowadays. More employers are embracing the benefits of offering flexible work solutions to keep valuable and experienced employees or to recruit the right person for the job. These include job sharing, working from home, flexible working hours and many others.

Of course workplace flexibility is not just for mothers, but is important for fathers. The structure of Australian families is changing; more and more dads are involved in caring for their children, either as single dads, because their partner has returned to work, or simply because they want to be more involved in the care of their children. Cultural changes are occurring in the workplace and this is a good thing. If mothers are to achieve equality, fathers will need to take on more caring responsibilities, and workplace flexibility has an important role to play here.

An important part of the *Fair Work Act* which promotes workplace flexibility is the right to request section of the National Employment Standards. Ai Group supported these provisions when they were first proposed. The provisions enable employees to request flexible work arrangements and employers can only refuse a flexible work request on genuine business grounds. Very importantly the provisions facilitate agreements between employers and employees – rather than the imposing arrangements on employers. We do not support giving the Fair Work Commission arbitration powers in this area so even though we support many of the recommendations in the report, we do not support that one in Recommendation 3.

We do think that some changes are necessary to the *Fair Work Act* though, to give more scope for employers and employees to reach agreement on flexible work arrangements.

Some of the changes that we have been seeking are in the *Fair Work (Amendment) Bill 2014* which is before Parliament. Hopefully the Bill will be passed soon to address some of the problems that have limited the utility of Individual Flexibility Arrangements (IFAs) under awards and enterprise agreements for both employers and employees. The changes in the Bill would provide more clarity on what can be agreed and would prevent enterprise agreements ousting the rights of individual employees to enter into meaningful IFAs.

**In conclusion**, industry welcomes the release of the report and the debate that it will no doubt generate.

The fact that so many employees have reported negative experiences as a result of pregnancy, parental leave and/or return to work shows that there are some significant issues that needs to be addressed.

Of course most of the employees who reported negative experiences have not pursued a discrimination claim so it is difficult to generalise about breaches of anti-discrimination laws where specific definitions of discrimination apply. This does not detract from the importance of the findings in the report or the need to address the issues.

Most employers, while facing tough economic pressures, strive to do the right thing by working parents and to accommodate flexibility sought by employees.

The best flexible work arrangements for working parents are not ones mandated by regulation but come from a genuine desire from businesses and employees to work co-operatively, to understand the other's needs and interests, and to implement workable solutions.