

# **Bargaining for Welfare: Gender Consequences of Australia's Dual Welfare Model**

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# **Bargaining for Welfare: Gender Consequences of Australia's Dual Welfare Model**

Therese Jefferson & Alison Preston\*

## **Abstract**

The tradition in Australia of delivering welfare benefits through the industrial relations system rather than through social insurance schemes has important implications for coverage and adequacy of important forms of income protection and maintenance. Using data from a large scale survey, this paper examines access to two forms of social benefit: paid maternity/paternity leave and retirement income in the form of occupational superannuation. Patterns of coverage indicate that those with limited bargaining power in the labour market are more likely to miss out on these benefits. These results indicate a necessity for maintaining the coverage and level of benefits available through publicly provided schemes such as the Aged Pension. The findings also support the current push for a nationally legislated, government funded, paid maternity leave scheme.

## **Introduction**

Within Australia the industrial relations (IR) system has played a fundamental role in the shaping of the current welfare model and is integral to the delivery of a range of social benefits which, in other nations, are provided through direct legislation or social insurance. These include measures such as living wages, equal pay, accident compensation, paid maternity leave and superannuation. However, whilst the IR system has been used to pursue improvements in living standards, it is apparent that a bi-furcated and highly gendered welfare model has evolved; one stream reliant on the market, the other reliant on the state (Bryson 1994).

Fiscal stresses and the adoption of economic liberalism largely explain recent shifts towards targeted benefits and increased use of penalties for welfare infringements. This also reflects a shift in welfare politics; the adoption of an 'individualistic enterprise' approach to social policy (Wearing 1994:196). Language is also reflective of increasingly 'privatised' welfare arrangements. Those who receive sufficient employment related benefits have 'self funded' retirements in comparison with those who may now be construed as having somehow failed to provide for themselves.

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The shift in emphasis towards a market based, privatised, welfare system has significant implications for women and a growing number of men pursuing paid employment outside the traditional industrial arena. Whilst policy makers continue to ignore and/or deny the highly gendered character of the labour market, women will remain highly disadvantaged within the Australian welfare system.

Two disparate social benefits, superannuation and paid parental leave, are used to illustrate the strengths and limitations of a market based welfare system, referred to by Castles (1985) as the “wage earners welfare state”. These two benefits which, in overseas contexts are often provided for by legislation and public funding are, in Australia, increasingly the subject of negotiations in the development of the employment contract.

### **History / Background Context to Welfare State and IR system**

Australia has a fairly unique set of labour market institutions and, for most of the last century, a highly centralised process of wage determination. The Australian Industrial Relations Commission (AIRC) and its predecessors have played a fundamental role in shaping or moulding the Australian welfare system. The 1907 definition of “fair and reasonable wages” institutionalised traditional gender roles. Men were seen as legitimate participants in the public world of work, while women were relegated to caring roles in the private sphere (Bryson 1994: 200).

The highly masculine character of the early actors in the IR system (eg. unions, employer organisations, government) had the effect of reinforcing Higgins male ‘breadwinner’ model. The 1917 Theatrical Amusements Case (11 CAR 133) for example, set the female basic wage at 54 per cent of the male basic wage, on the grounds that the ‘needs’ of women were less than the needs of a man). It was 1974 before ‘family needs’ was removed as a basis for wage fixing in Australia.

The different treatment of men and women within this IR system primarily explains the development of the dual welfare system in Australia (Bryson 1994: 202). Strong trade unions, and a desire to protect male jobs, meant that women were, in many cases, excluded from certain sectors of the labour market. The publicly provided widow pension ensured married women’s income needs would be met when their partner died.

Within this structure, social security was strongly linked to the award determinations of the industrial tribunals and, by implication, the agenda of the trade union movement. A secondary system, in the form of state welfare payments, evolved to meet the income needs of those outside the industrial arena.

Recent years have seen an increasing tightening of welfare benefits provided through the state system and a privileging of the market welfare system over the state welfare system. For example taxation concessions are structured to encourage people to invest in superannuation as a way of securing their income needs in retirement.

### *Superannuation*

During the 1970s unions, wishing to circumvent the wage indexation process, pressed for superannuation coverage as a form of deferred wages, (Kelly 1997:62). In addition to providing some flexibility in a period of centralised wage indexation, superannuation also offered various concessions to both employees and employers. In short, the net benefits to the employee were greater and the costs to the employers less, than would have been the case if equivalent wage increases were negotiated (Pickering 1979; Cook 1981; Hutcheon 1982).

Further expansion of occupational superannuation arrangements over the 1980s and 1990s may be attributed to wage fixing arrangements and legislative provisions. In 1985 the ACTU entered into a new Accord (Accord Mark II) with the federal government and agreed to offset a national productivity claim with occupational superannuation. From the government's perspective the agreement provided them with a mechanism for granting wage increases (albeit deferred) while not adding to inflationary pressures. Employer groups were opposed to the treatment of superannuation as an industrial issue and made an appeal to the High Court of Australia. In 1986 the High Court handed down a landmark decision stating that superannuation was a workplace matter and could be included in the pay conditions under particular awards (Beal and Mc Keown 2001). This led to a rapid growth in superannuation coverage, facilitated by the incorporation of superannuation provisions into awards.<sup>1</sup> Superannuation and life offices recognised this growth in award-based superannuation as a new opportunity for business and worked closely with the Australian Council of Trade Unions (ACTU) to establish schemes (Kelly 1997).

During the 1990s, in response to employer pressure to curtail union dominance of the operation of the occupational superannuation schemes, arrangements governing the operation of the system gradually shifted from the industrial arena (through awards) into the political arena (through legislation). Awards no longer specify the fund to which the employer must contribute and legislation, in the form of the *Superannuation Guarantee Charge Act 1992*, now mandates the *minimum* required employer contribution. While there are provisions exempting coverage in some cases, the general pattern is that employers currently contribute 9 per cent of their employees' earnings to an approved superannuation scheme.

Access to superannuation has therefore been tied to the workforce characteristics of individuals. A range of occupational links restrict access to superannuation to those in paid employment and it has been argued that this serves three main purposes:

- To distinguish superannuation funds, as retirement savings vehicles, from other savings vehicles;
- To restrict access to the superannuation tax concessions to those in 'gainful employment'; and
- To maintain superannuation as a means from redistributing a person's working life income into their retirement years. (emphasis in original text, Larkin 1994).

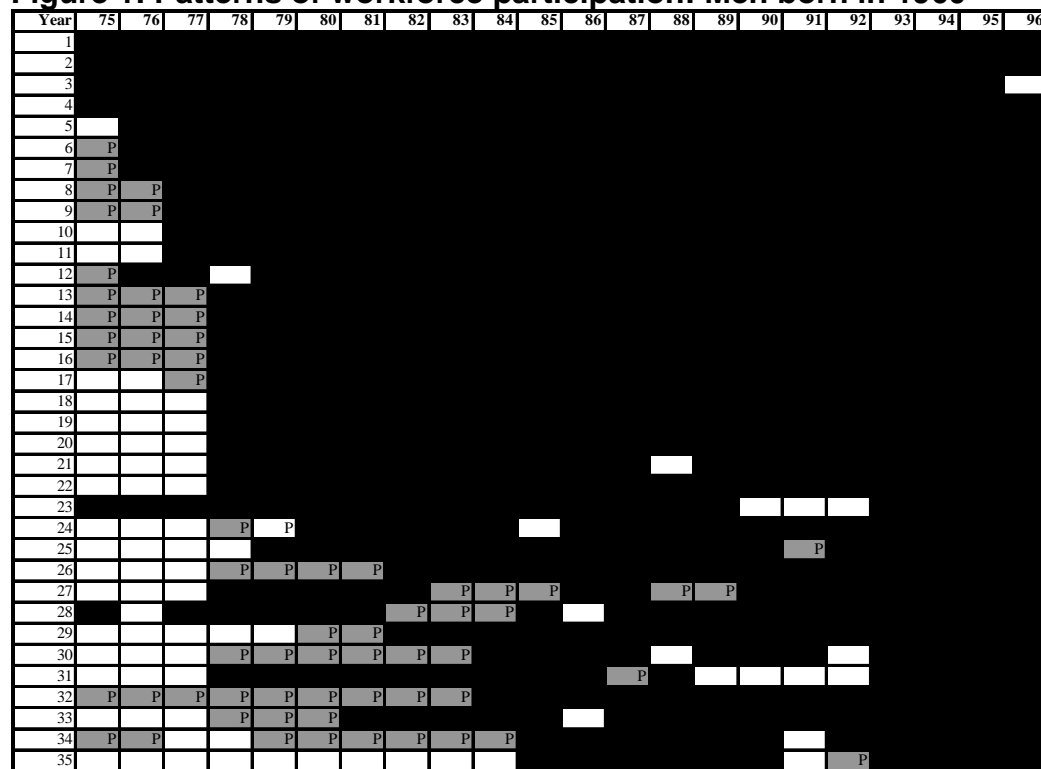
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<sup>1</sup> Awards are legally binding documents that prescribe the minimum terms and conditions of the employment contract.

Women's relatively disadvantaged position in relation to superannuation access can be seen as an extension of their labour market experiences. Those who have been reliant on income from other sources, such as transfers from a spouse or government transfers or who have low incomes, are implicitly expected to continue with this situation in their retirement. It also poses implications for those who are self employed, an issue examined later in this paper.

Selected data from McDonald et al (2000), in Figures 1 and 2 below, illustrates that women's experience of labour market participation differs markedly from that of men. Data for respondents born in 1960 show that, over the life course women will, on average, spend around 40 per cent less time in paid employment when compared to men. Without taking into account gender differences in earnings or access to superannuation, a 40 per cent gender gap in years of labour market attachments means that, as a minimum, the superannuation accumulations of women will be around 40 per cent lower than that accumulated by the average male.

**Figure 1: Patterns of workforce participation: Men born in 1960**



Note: the black area indicates full-time employment; the shaded area indicates part-time employment and the white indicates not in paid work.

**Source:** Compiled from data for persons born in 1960 contained in McDonald, P., F. Jones, D. Mitchell and J. Baxter 2000, *Negotiating the Life Course, 1997* [computer file] Canberra: Social Science Data Archives, The Australian National University.

**Figure 2: Patterns of workforce participation: Women born in 1960**

Note: see note to Figure 1 above.

Year	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	
1																							
2	P																						
3	P	P	P																				
4	P											P										P	P
5																						P	P
6		P	P																			P	P
7		P	P	P																			
8	P															P	P	P	P				
9																							
10	P	P	P	P	P	P	P			P													
11										P	P	P	P				P						
12				P	P																		P
13																		P	P	P			
14																							
15	P	P	P	P														P	P			P	P
16		P	P	P																			
17	P																			P	P		
18																							
19																							
20	P	P	P	P	P	P	P	P												P	P	P	P
21	P	P	P	P	P	P	P					P	P							P	P		
22																							
23	P	P	P	P	P	P	P	P										P	P	P			P
24																		P	P	P	P	P	P
25																		P	P	P	P	P	P
26		P																P	P	P	P	P	P
27																		P	P	P	P	P	P
28																		P	P	P	P	P	P
29																							
30																							
31																		P	P	P	P	P	P
32																		P	P	P	P	P	P
33	3	P	P	P	P			P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
34	3	P	P															P	P	P	P	P	P
35	P	P	P															P	P			P	P
36	P	P	P	P	P																		
37	P	P	P	P																			
38																							
39																							
40	P	P	P																				
41			P																				
42																							

*Paid Maternity Leave*

Social insurance schemes funded through contributions from employers, employees and government form the basis for funded maternity leave in Europe and fully government funded schemes operate in the UK and New Zealand. In Australia however, only unpaid maternity leave is universally available under the provisions of the *Workplace Relations Act* 1996 (Cth) and comparative state based legislation. This legislation provides that permanent full time and part time employees who have 12 months continuous service with their employer have a minimum entitlement to 52 weeks of unpaid parental leave following the birth or adoption of a child. Upon their return to work, employees taking unpaid parental leave have a right to return to their former position.

In May 2001, an Australian Industrial Relations Commission (AIRC) decision granted access to unpaid parental leave to federal award-covered casual employees employed on a 'regular and systematic basis for several periods of employment or on a regular or systematic basis for an ongoing period of employment during a period of at least 12 months, and [who have] a reasonable expectation of on-going employment'. Provision was made for this measure to be inserted into federal

awards on application by parties on an award-by-award basis. Legislation in Queensland and New South Wales also covers casual employees who have regular, continuous service with one employer (Human Rights and Equal Opportunity Commission 2002:17).

Thus, while there has been some legislation in respect to the provision of unpaid maternity leave, access to paid parental or maternity leave remains an item to be negotiated under the provision of specific awards, agreements or individual workplace policies. A review of the top 100 federal awards by coverage of workers, undertaken by the then Department of Employment, Workplace Relations and Small Business (DEWRSB), found that only six awards included provision for paid parental leave.<sup>2</sup> Existing paid maternity leave arrangements in Australia are limited and haphazard. More than 60 per cent of employed women have no access to paid maternity leave provisions. Whilst a range of government payments to assist parents is available, they operate as welfare measures and income support rather than a means of promoting and ensuring income maintenance. With the exception of the proposed *Baby Bonus*<sup>3</sup>, these payments are not an exclusive work related entitlement as is evident in the provision of the recent *Family Tax Break* (2001)<sup>4</sup>, which financially rewards families with a 'stay-at-home mother'.

In recent years there has been a gradual dismantling of centralised institutional structures which govern social wage issues, with policy measure encouraging labour market deregulation and pay decentralisation. Awards which previously set out in a detailed manner the pay and conditions of employment have been stripped back to narrow set of allowable matters, one of which includes parental leave. This provision, however, does not guarantee a universal set of arrangements. Accordingly, access to paid maternity leave is patchy and with the demise of structures allowing for claims on the grounds of comparability, is unlikely to drastically change within the new deregulated model.

### **Description of Data**

In this section, access to the employment related benefits of superannuation contributions and parental leave is examined using the 1997 *Negotiating the life course survey* data set (McDonald et al 2000). This contains information from 2,231 randomly selected respondents, 1,247 female and 984 male, who we will refer to hereafter as women and men.

Of the women respondents, 891 described themselves as having worked or been employed during the previous week: 457 of these had worked for 35 hours or more and we have classified them as participating in the formal labour market on a full time basis; 343 worked between 1 and 34 hours during the previous week and we

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<sup>2</sup> Research undertaken by the Department of Employment, Workplace Relations and Small Business dated 7 November 2000 cited in Human Rights and Equal Opportunity Commission, 2002:19.

<sup>3</sup> The *Baby Bonus* would see primary care givers receive a tax rebate of up to \$2500 a year following the birth of a child. To receive the maximum tax rebate individuals must earn \$52,667 or more per year prior to leaving the workforce and remain out of the workforce for five years. The Baby bonus is projected to cost \$510million in 2005-06 (Human Rights and Equal Opportunity Commission, 2002:25).

<sup>4</sup> The new family tax relief policy has valued the 'job' of a 'stay-at-home' mother as worth between \$9.60 and \$48 per week.

have classified them as part time. On average, the women part time workers completed 19.4 hours of paid work during the previous week.

Using the same system of classification, of the 851 men who described themselves as working or employed during the previous week, 690 were classified as full time and 87 as part time. On average, the male part time workforce participants worked 24 hours during the previous week.

Some labour market participants had not worked any hours because they were on leave and in these cases they have not been classified as full time or part time. They are however, included in the total labour force. While those looking for work are generally included in official statistics relating to the labour force they have not been included in the following analysis. This is because most people who were seeking work did not respond to questions relating to employment benefits.

The survey included a wide range of questions relating to employment benefits. In the analysis below we have focused on a small range of responses relating to superannuation and maternity leave. With respect to superannuation we examine responses relating to respondent's own contributions to superannuation and those relating to contributions made on their behalf by employers. With respect to maternity leave we focus on three different areas of leave: unpaid parental or maternity/paternity leave; paid parental or maternity/paternity leave; and family or carer's leave. The focus is on paid maternity leave, however data on these other forms of leave has been included in tables because of their relevance to gender equity in the labour market.

#### *Sector of Employment*

As shown in Table 1, most respondents, whether men or women, full-time or part-time, worked for private companies or non-government organizations. Approximately 55-58 per cent of respondents in various classifications worked for private employers, except in the case of men working part time, for whom the rate was 48.3 per cent. Differences in employment patterns between men and women become more apparent among those in self employment and working for government organizations. Men are much more likely than women to be self employed, with 21.6 per cent of men working full-time and 31.0 per cent of men working part time describing themselves as belonging to this category. For women the rates are 11.8 and 16.9 per cent respectively. Women are more likely to work in government organizations with 33.3 per cent of those working full time and 34.8 per cent of those part time describing their employer as Federal, State or Local Government. The rates for men were 20.0 and 20.7 per cent respectively.



**Table 1: Sector of employment**

	Men			Women		
	Full time %	Part time %	All %	Full time %	Part time %	All %
<b>Employer</b>						
Private company or non-government organisation	58.4	48.3	57.7	54.9	58.3	56.6
Government: Federal, State or Local	20	20.7	20.9	33.3	24.8	30.1
Self Employed	21.6	31.0	21.4	11.8	16.9	13.4

**Note:** Full time and part time figures include only those who worked more than one hour the previous week. Those who were on leave and did not work are excluded from these figures. **Source:** McDonald et al 2000.

### *Forms of Employment*

Table 2 shows that most full time employees described their employment as permanent rather than contract or casual: 77 per cent of women working full time and 38.2 per cent of those working part time described their employment as permanent. This compares with the rates for men of 68.7 per cent and 37.9 per cent respectively. The percentage of contract employees varies within a small range, from 4.9 per cent for all women employees to 6.9 per cent among men employed part time. More significant gender variations are evident among casual employees. While almost 40 per cent of women participating in the workforce describe themselves as casual employees, only 24 per cent of men do so, due largely to their higher representation among the self employed. 5.7 per cent of women working 35 hours or more describe themselves as casual employees compared with 3.8 per cent of full time men. Due to the relatively large number of women who work part time hours, 19 per cent of all women in the labour force worked on a casual basis compared with 5.9 per cent of men.

**Table 2: Form of employment**

	Men			Women		
	Full time %	Part time %	All %	Full time %	Part time %	All %
<b>Basis of Employment</b>						
Skipped or not applicable (includes self employed).	21.7	31.0	26.4	12.0	16.9	18.2
Permanent	68.7	37.9	62.2	77.0	38.2	57.9
Contract	5.8	6.9	5.5	5.3	5.5	4.9
Casual	3.8	24.1	5.9	5.7	39.4	19.0

**Source:** McDonald et al 2000.

## Access to Employment benefits - Superannuation

### *The self employed*

The self employed, by definition, do not receive employment benefits from an employer. They may however, make provision from the proceeds of their business to contribute funds towards a superannuation scheme or to save for 'leave' from work.

Table 3 shows that 182 men and 119 women described themselves as self employed. Of these 64.8 per cent of men and 52.1 per cent of women stated that they made contributions to a superannuation scheme.

**Table 3: Self employed and superannuation contributions**

	Men		Women	
	n	%	n	%
Don't know			1	.8
Yes	118	64.8	62	52.1
No	64	35.2	56	47.1
Total	182	100.0	119	100.0

Source: McDonald et al 2000.

### *Employees*

In comparison with the self employed, those employed by a third party appear to be relatively well covered by superannuation. Without taking employer contributions into account, full time employees are more likely to make superannuation contributions than are those who are self employed. Table 4 shows that 65.8 per cent of men employed full time and 54.6 per cent of women employed full time contribute to superannuation, compared with 64.8 per cent of men and 52.1 per cent of women who are self employed. Those employed part time are less likely to make contributions, with 50.0 per cent of men and 40.7 per cent of women employed part time doing so.

**Table 4: Employees making contributions to superannuation**

		Men		Women	
		Full time %	Part time %	Full time %	Part time %
	Don't know/NA			0.2	
	Yes	65.8	50.0	54.6	40.7
	No	34.2	50.0	45.2	59.3

Source: McDonald et al 2000.

Of course, the biggest contrast with the self employed is evident in relation to the superannuation contributions being made by an employer on an employee's behalf. As shown in Table 5, among full time employees coverage is above 90 per cent and for part time employees, above 80 per cent.

**Table 5: Employees: Employer makes superannuation contributions**

	Men		Women	
	Full time %	Part time %	Full time %	Part time %
Don't know/NA	0.9	1.7	1.0	1.8
Yes	92.6	83.3	95.0	81.4
No	6.5	15.0	4.0	16.8

Source: McDonald et al 2000.

Men in full time employment are most likely to have employers who make superannuation contributions above the compulsory level specified under SGC legislation. Table 6 shows that 40.5 per cent of men in full time employment stated that their employer made contributions above the compulsory level, compared with 28.5 of women in full time employment. Those in part time employment, particularly women, were much less likely to have access to this employment benefit: 23.3 per cent of men in part time employment and 13.3 per cent of women in part time employment had employers making contributions above the compulsory rate.

**Table 6: Employer makes above compulsory superannuation contributions**

		Men		Women	
		Full time %	Part time %	Full time %	Part time %
	Don't know/NA	17.2	33.4	21.1	33.7
	Yes	40.5	23.3	28.5	13.3
	No	42.3	43.3	50.4	53.0

Source: McDonald et al 2000.

Gender differences in coverage as well as access to contributions above the minimum mandated under the SGC are reflected in the following statistics on the distribution of superannuation. As shown in Table 7, 44% of women in the pre-retired population who have superannuation, have less than \$5000 in their account. This compares with 29% of men who have an account balance of less than \$5000.

**Table 7: Pre-retired persons with superannuation coverage: Total superannuation balance by gender and labour force status, 2000**

	\$1-\$4999	\$5000-\$9999	\$10000-\$19999	\$20000-\$39999	\$40000+
	%	%	%	%	%
Females	44.0	17.5	15.6	10.0	12.9
Males	29.2	13.8	16.3	14.0	26.7
Employed- FT	27.5	15.1	18.0	14.4	25.0
Employed-PT	53.2	16.7	12.1	7.3	10.8
Employed-Casual	65.6	15.3	8.9	4.5	5.7
Unemployed	65.1	11.6	10.5	4.2	8.6
NILF	56.2	16.8	10.6	7.4	9.0

Source: Australian Bureau of Statistics 2001, *Superannuation Coverage and Financial Characteristics Australia* Catalogue 6360.0, Table 9 p.27.

## Access to Employment Benefits – Maternity, Paternity and Family Leave

Assessing access to leave related employment benefits among the self employed is perhaps a little more challenging than examining an issue such as superannuation contributions. Self employment can imply a greater degree of control over the hours worked by an individual and for some this may be a significant factor in the decision to become self employed. In an employee/employer situation, the granting of leave implies that permission has been obtained for an approved absence from work. In the case of the self employed, the approval may involve a self assessment of the financial capacity to take time away from work against the need for that ‘time off’. There may be little recognition that this is, in effect, a form of leave.

Given these data limitations, it appears that most self employed people consider that they do not have access to any form of parental maternity/paternity leave, whether paid or unpaid, or family/carer’s leave. The highest rate of ‘entitlement’ for any of these forms of leave is for unpaid maternity leave among women who are self employed, with 26.9 per cent of these respondents indicating that they had access to such leave.

Access to parental maternity/paternity leave and family leave is likely to be more formalised in an employment context which is subject to the negotiation of an employment contract. However, even in this context a large proportion of respondents were unaware of their entitlements or skipped questions because it was not considered relevant to their situation. Generally, female respondents were more likely to answer yes or no to questions regarding parental and family leave, perhaps indicating their greater likelihood of requesting access to these forms of leave.

**Table 8: Self employed respondents: Access to maternity, paternity and family leave**

	Men		Women	
	n	%	n	%
<b>Paid parental, maternity or paternity leave</b>				
Skipped/NA/Don't know	2	1.0	3	2.5
Yes	9	4.9	8	6.7
No	171	94.0	108	90.8
<b>Unpaid parental, maternity or paternity leave</b>				
Skipped/NA/Don't know	4	2.1	4	3.4
Yes	37	20.3	32	26.9
No	141	77.5	83	69.7
<b>Family or carer's leave (paid or unpaid)</b>				
Skipped/NA/Don't know	3	1.6	4	3.4
Yes	24	13.2	13	10.9
No	155	85.2	101	84.9

Source: McDonald et al 2000.

As with access to superannuation, the highest rates of entitlement are found among full time employees. Women in full time employment appear to have the highest rate of entitlement to various forms of maternity and family leave, although these statistics are possibly related to their ability to provide a definitive answer in relation to their entitlements compared with men. For both men and women the most commonly available form of leave was unpaid maternity/paternity leave, a statutory provision incorporated in many employment agreements. Table 9 shows that access to paid maternity leave was less common, 48.6 per cent of women and 42.3 per cent of men working full time responded that they had access to some form of paid maternity/paternity leave. Rates of access to family or carer's leave, required for example, to look after a sick child, were close to 50 per cent for both men and women, although the survey did not investigate whether this form of leave was unpaid or paid.

Among part time employees there was a significantly lower likelihood of entitlement to these forms of leave, despite the fact that part-time work is a common strategy of attempting to combine paid work and unpaid household responsibilities: 28.3 per cent of male part time employees and 21.4 of female part time employees stated that they had access to paid maternity/paternity leave. The respective rates for family or carer's leave were 38.3 and 29.5 per cent.

**Table 9: Employees: Access to maternity, paternity and family leave**

	Men		Women	
	Full time %	Part time %	Full time %	Part time %
<b>Paid parental, maternity or paternity leave</b>				
Skipped/NA/Don't know	19.0	18.3	11.9	6.4
Yes	42.3	28.3	48.6	21.4
No	38.3	53.3	39.5	72.3
<b>Unpaid parental, maternity or paternity leave</b>				
Skipped/NA/Don't know	25.2	30.0	14.6	12.3
Yes	51.4	31.7	65.5	51.2
No	23.5	38.3	19.9	36.5
<b>Family or carer's leave (paid or unpaid)</b>				
Skipped/NA/Don't know	16.3	11.7	15.4	7.1
Yes	46.4	38.3	51.6	29.5
No	37.3	50.0	33.0	63.5

Source: McDonald et al 2000.

## Forms of Employment, Sector of Employment and Access to Employment Benefits

Full time employment and permanent employment status are closely related. In this section, the relationship between the degree of permanency and access to superannuation and leave benefits is examined. Those respondents who described themselves as self employed have been omitted from this section.

As can be seen from table 10 below, of the 540 men who worked full time hours and described themselves as in an employment relationship, 474 classified themselves as permanent employees with only 40 describing themselves as contract employees and 26 as casual. Similarly, among women employed full time a permanent employment relationship is the norm. 352 of the 402 full time employees described themselves as permanent, with only 24 describing themselves as contract and 26 as casual.

While all of these employees worked more than 35 hours in the previous week, employer contributed superannuation coverage was highest among those who also had permanent employment status. While the numbers for contract and casual employees are small, they indicate a likelihood that those without permanent employment status are less likely to have access to superannuation contributions from an employer. The lowest rate for non permanent full time employees is 65.4 per cent for casual men and the highest is 92.3 per cent for casual women.

This general pattern is repeated with respect to those who receive superannuation contributions from an employer in excess of the minimum level of the SGC. In this case, not only are permanent employees more likely to receive this benefit but there is also a marked gender difference with employed men more likely to receive above minimum contributions than women.

**Table 11: Full time employees: Form of employment and access to superannuation contributions**

	Men			Women		
	Perm (n=474)	Contract (n=40)	Casual (n=26)	Permanent (n=352)	Contract (n=24)	Casual (n=26)
<b>Employer contributions to superannuation</b>						
Don't know/NA	0.6	0	7.7	0.6	4.2	0
Yes	95.6	75.0	65.4	96.6	79.2	92.3
No	3.8	25.0	26.9	2.8	16.7	7.7
<b>Employer contributions to superannuation above SGC</b>						
Don't know/NA	14.3	30.0	50.0	19.6	45.8	15.4
Yes	42.2	35.0	19.2	30.4	16.7	15.4
No	43.5	35.0	30.8	50.0	37.5	69.2

Source: McDonald et al 2000.

Again, in relation to access to paid and unpaid parental maternity/paternity leave and family/carers leave, permanent employees are more likely to have access. In all cases, permanent employees have the highest rates of access, followed by contract employees and casual employees. However, even among the most likely group in

the workforce to have access to paid maternity leave, only about half of employees have an entitlement. 45.4 per cent of permanently employed men and 52.0 per cent of permanently employed women state they have access to some form of paid maternity/paternity leave.

The nature of casual employment may mean that leave requirements by these employees are met through reductions in paid hours rather than through the formal mechanism of applying for leave. However, of the small number of casual employees working for 35 hours or more, only 7.7 per cent of men and 15.3 per cent of women stated that they had any entitlement to paid parental maternity/paternity leave. Access by casuals to unpaid maternity/paternity leave was higher, at 26.9 per cent for both men and women, while access to family leave appears to be significantly higher among female casuals than men. The gender comparisons in relation to leave are difficult to make because of the relatively large number of respondents who did not answer yes or no to this question – many were unaware of their entitlements or felt it was not applicable to their situation.

**Table 12: Full time employees: Forms of employment and access to parental and family leave**

	Men			Women		
	Perm (n=474)	Contract (n=40)	Casual (n=26)	Permanent (n=352)	Contract (n=24)	Casual (n=26)
	%	%	%	%	%	%
<b>Paid parental, maternity or paternity Leave</b>						
NA/don't know	20.5	12.5	7.7	12.5	8.3	3.8
Yes	45.4	30.0	7.7	52.0	37.5	15.3
No	34.2	57.5	84.6	35.5	54.2	80.8
<b>Unpaid parental maternity or paternity leave</b>						
NA/don't know	25.7	27.5	11.5	15.9	4.2	3.8
Yes	54.0	35	26.9	69.6	50.0	26.9
No	20.3	37.5	61.5	14.5	45.8	69.2
<b>Family/carer's leave</b>						
NA/don't know	17.5	7.5	7.7	16.5	8.3	3.8
Yes	49.6	32.5	7.7	55.4	29.2	23.1
No	32.9	60.0	84.6	28.1	62.5	73.1

Source: McDonald et al 2000.

Among part time employees, access to employer superannuation contributions is comparable to that of full time employees, particularly for those employed on a permanent or contract basis, although the small numbers of respondents in some categories, particularly men and women employed by contract and casually employed men, make it difficult to generalise. However, among casual women working part time, the larger sample shows a significantly lower level of coverage than that indicated by 'full time' casuals – with just 68.9 per cent coverage.

Access to above minimum employer contributions is lower for part-time employees compared with the full time employees shown above. Women casuals working part time have the lowest rate of all, with 5.9 per cent receiving employer contributions above the SGC.

**Table 13: Part-time employees: Form of employment and access to superannuation contributions**

	Men			Women		
	Perm (n=33)	Contract (n=6)	Casual (n=21)	Permanent (n=131)	Contract (n=19)	Casual (n=135)
	%	%	%	%	%	%
<b>Employer contributions to superannuation</b>						
Don't know/NA/skipped	3.0	0	0	0	0	3.7
Yes	96.9	83.3	61.9	96.2	68.4	68.9
No	0	16.7	38.1	3.8	31.6	27.4
<b>Employer contributions to superannuation above SGC</b>						
Don't know/NA/Skipped	18.2	50.0	52.4	20.6	47.4	44.4
Yes	30.0	33.3	9.5	21.4	10.5	5.9
No	51.5	16.7	38.1	58.0	42.1	49.6

Source: McDonald et al 2000.

Access to various forms of parental and family leave also show that the form of the employment contract is significant to the ability to access employment benefits. Table 14 shows permanent part time employees have access to paid and unpaid parental/maternity paternity leave and family leave at rates comparable to their full time counterparts. Again, however, rates for contract and casuals are lower, with the large number of part time female casuals likely to give the most representative indications of access – 2.2 per cent for paid parental maternity/paternity leave, 32.6 per cent for unpaid parental maternity/paternity leave and 12.6 per cent for family leave.

**Table 14: Part-time employees: Forms of employment and access to parental and family leave**

	Men			Women		
	Perm (n=33)	Contract (n=6)	Casual (n=21)	Permanent (n=131)	Contract (n=19)	Casual (n=135)
	%	%	%	%	%	%
<b>Paid parental maternity or paternity leave</b>						
NA/DK/skipped	24.2	0	14.3	10.7	5.3	2.2
Yes	45.5	16.7	4.8	42.7	10.5	2.2
No	30.3	83.3	80.9	46.6	84.2	95.6
<b>Unpaid parental, maternity or paternity leave</b>						
NA/DK/skipped	36.4	16.7	23.8	13.7	10.5	11.1
Yes	51.5	0	9.5	71.0	47.4	32.6
No	12.1	83.3	66.7	15.3	42.1	56.3
<b>Family/carer's leave</b>						
NA/DK/skipped	15.1	16.7	4.8	13.0	0	2.2
Yes	63.6	16.7	4.8	46.6	31.6	12.6
No	21.2	66.7	90.5	40.4	68.4	85.2

Source: McDonald et al 2000. Notes: DK = don't know.



### *Sector of Employment and Access to Employment Benefits*

Respondent's employers in the survey are classified as either a level of government or as a private or non government organisation. While this breakdown is not very detailed it does show some interesting comparisons in the availability of benefits to employees. Men and women employed in the public sector have significantly higher rates of access to paid parental/maternity leave than those in the private sector. They are also more likely than to be aware of whether they have such an entitlement. Among full time government employees, almost two-thirds stated that they have access to some form of paid parental leave, compared with less than 40 per cent for employees of private organizations. Access among part time employees was significantly lower although the pattern of greater access among government employees is repeated.

With respect to employer superannuation contributions at a level above that stipulated by SGC legislation there were high percentages of respondents who didn't respond to the question or didn't know their entitlements. However, from the available responses it appears that men employed full time have comparatively favourable access whether they are employed in the public or private sector. Just under 40 per cent of men employed full time in private organizations receive this benefit, as do 44.2 per cent of men employed full time by government organizations. The small number of men in the survey employed part-time by government organizations also appear to have relatively high access. Women do not fare quite as well. Women employed full time by private employers have the highest rate of access to this benefit at 29.9 per cent, although this still falls well below the comparable male rate of 39.2 per cent. Only 26.3 per cent of women employed full time by government organizations stated that they received this benefit. Among women employed part time the rates were particularly low, 12.0 per cent for those in private organizations and 16.5 for those in the public sector.

**Table 15: Government and private employers: Access to paid parental leave and above SGC contributions**

	Men				Women			
	Full time		Part-time		Full time		Part-time	
	Priv	Govt	Priv	Govt	Priv	Govt	Priv	Govt
	n=403	n=138	n=42	n=18	n=251	n=152	n=200	n=85
<b>Paid parental, maternity or paternity Leave</b>								
NA/don't know/skip	22.3	10.9	16.7	22.2	14.3	7.9	6.5	5.9
Yes	34.5	65.2	23.8	38.9	38.2	65.8	13.0	41.2
No	43.2	23.9	59.5	38.9	47.4	26.3	80.5	52.9
<b>Employer contributions to super above SGC</b>								
NA/don't know/skip	17.4	16.7	35.7	27.8	19.1	24.3	36.5	27.1
Yes	39.2	44.2	14.3	44.4	29.9	26.3	12.0	16.5
No	43.4	39.1	50.0	27.8	51.0	49.3	51.5	56.4

Source: McDonald et al 2000.

## Summary and Conclusion

The above data show two significant areas of concern for superannuation coverage among the working age population in Australia.

First, while access to superannuation coverage is widespread among the employed population, it remains comparatively limited among the self employed. While it can be argued that those who are self employed have the capacity to make arrangements for their own superannuation provisions, the survey indicates that in many cases this is not occurring. The data do not provide insights into why this is occurring. However, the near universal coverage of superannuation among employees is something that contrasts with the 64 per cent of men and 52 per cent of women who are self employed and making superannuation contributions. Gender patterns of self employment mean that this is likely to be an issue more commonly of concern to men.

Secondly, access to superannuation coverage says little about its adequacy in terms of providing an income stream in later life. It is apparent that those in permanent full time employment have both greater access to contributions and that these contributions are likely to be a higher than those in part-time, casual employment. The higher contributions are related to two separate issues. Firstly, contributions are expressed as a percentage of income, so those with higher incomes, due to the number of hours they work or their employment status, receive higher contributions. Secondly, those in permanent employment are likely to receive percentage contributions above the SGC minimum. Women are concentrated in those sections of the workforce which receive relatively low wages and are less likely to receive above minimum contributions. This can have serious implications for the adequacy of their superannuation coverage an issue recognised in other studies of superannuation (Austen, Jefferson and Preston 2002).

Different issues arise with respect to access to paid parental/maternity leave. This benefit is more directly related to the negotiation of benefits at an industry or enterprise level and in the absence of prescriptive legislation access is more restricted than that of occupational superannuation. Those in full-time, permanent employment, particularly in the public sector, have significantly higher levels of access than those employed on a casual basis or in the private sector.

The tradition in Australia of delivering social benefits through an employment nexus appears to have important implications for both the coverage and adequacy of important forms of income protection and maintenance in the forms of paid parental leave and retirement income. Patterns of coverage indicate that those with limited bargaining power in the labour market are more likely to miss out on these benefits. These results indicate a necessity for maintaining the coverage and level of benefits available through publicly provided schemes such as the aged pension and add weight to the rationale for legislation to widen access to paid parental leave.

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