

Maternal Access to 26 weeks part-Government-Funded Paid Parental Leave

We, the undersigned organisations and individuals, make this statement of support for the current Paid Parental Leave scheme.

The Scheme enacted by the Parliament has the twin objectives of enhancing child and maternal well being and supporting parental work force participation. The universal Government scheme underpins whatever employees are able to obtain by negotiation with employers, with the aim of extending total paid leave as close as possible to a full 26 weeks recommended by the World Health Organisation.

We are dismayed by the proposal to remove access to the minimum leave entitlements provided by Government scheme for all employees entitled to additional employer-funded paid parental leave.

The proposal flies in the face of universal acknowledgement of the benefits of 26 weeks leave and of the findings of the evaluation of the Government scheme.

For the following reasons, we call on the Government to reverse its stated position and guarantee universal access to Government-funded paid parental leave:

The current scheme provides universal access to paid parental leave.

The current scheme is based on the Productivity Commission's recommendation to establish universal access to paid parental leave for up to 18 weeks at the minimum wage for working parents with an additional two weeks leave reserved for partners who share in the primary care of the child. It was anticipated that at some point in the future, Government would extend the scheme to include minimum superannuation contributions.

The minimum entitlements provided by the Government were intended to be complemented by employer schemes which lengthened the period of paid parental leave to achieve the optimal leave period recommended by the World Health Organisation of 26 weeks.

The Productivity Commission estimated that the scheme would ensure more families have capacity to provide exclusive parental care for children for six to nine months and increase workforce participation on average by up to 6 months per woman over her lifetime.¹

Government funded paid parental leave was introduced as a universal scheme – to be available to all families in Australia. It must stay that way.

Paid parental leave has significant health benefits for both mother and child

There is compelling evidence of health and welfare benefits for mothers and babies from a period of postnatal absence from work for the primary caregiver of around six months.

Australian guidelines and the World Health Organisation recommend that infants are fed nothing but breast milk for their first six months of life and continue to be breastfed into their second year.² Exclusive breastfeeding ensures that babies receive the full nutritional and development benefits as well as protection against infection and some chronic disease.

Breastfeeding is the biological and social norm for infants. Having a child and taking time out for family reasons is viewed by the community as part of the usual course of work and life for parents in the paid workforce. Paid parental leave helps ensure that working mothers have the capacity to meet their child's needs during the first few months of life whilst remaining in employment.

¹*Paid Parental Leave: Support for Parents with Newborn Children*, Inquiry Report, Productivity Commission, May 2009.

² https://www.nhmrc.gov.au/files_nhmrc/publications/attachments/n56_infant_feeding_guidelines.pdf

A reduction in the period of paid parental leave means parents who must return to work once the paid period expires will have to find care for their young infant. We note Budget proposals for expansion of child care beyond 2017. Even so, places for babies in childcare centres are limited and difficult to access. Care for infants is very expensive to provide. Early exposure of infants to group care increases the risk of infectious disease. Where child care is not available these mothers may drop out of the workforce. A reduced period of paid parental leave combined with a lack of supply of childcare for babies may lead to a reduction in women's workforce participation. Good policy design will support a smooth transition between paid parental leave and childcare. This policy extends the gap between the conclusion of paid parental leave and childcare.

Paid parental leave contributes to workforce participation and employee retention rates

Paid parental leave increases lifetime workforce participation, both over the long run following the early infant years of their children, but also prior to the birth.

In the absence of paid leave entitlements, many women resign from their jobs and lose contact with their former employers, making it more difficult for them to re-enter the workforce.

Paid parental leave increases retention rates for business, with reduced training and recruitment costs and counters some of the incentives against working posed by the tax and welfare system.

Australia's employment rate for mothers is the lowest of all the countries in the OECD at 62%. Universal paid parental leave is a critical strategy in encouraging new parents to stay in the workforce and achieving the G20 goal of increasing women's labour force participation by 25% by 2025.

Paid parental leave is a social compact that requires a commitment from Government, Employers and Individuals

Like retirement incomes, paid parental leave requires a co-contribution from Government, employers and individuals.

The Government's refusal to contribute towards the cost of paid parental leave for employees entitled to a co-contribution from their employer will disadvantage up to 47% of families currently receiving paid parental leave.

Limiting access to the Government scheme reduces incentives for employers to contribute to paid parental leave, encourage parties to negotiate ancillary benefits instead and may impose a significant regulatory burden on businesses that are required to report on their existing parental leave arrangements.

Accessing Government Funded Paid Parental Leave is not 'double dipping'

To suggest that women are 'double dipping' completely misrepresents the nature and design of the scheme.

Enterprise agreements top-up the *minimum entitlements* provided by Government to provide access to additional paid leave.

Removing access to the Government scheme imposes an unexpected and unwarranted financial burden on families and denies employees access to freely negotiated conditions of employment. Such entitlements are not extraordinarily generous, but do contribute to allowing more time for breast feeding, bonding, and child development.

The Government's proposal severely penalises employees who have negotiated additional paid parental leave benefits by trading off potential wage increases and other conditions to achieve the enhanced benefits related to child bearing and family friendly work.

We call on the Government to abandon the proposed changes to the current paid parental leave scheme announced in the 2015 Budget.

Signed:

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Prof. Graham Vimpani AM **Professor of Community Child and Family Health, University of Newcastle**

Elizabeth Hill for **Work and Family Roundtable**

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Mary Crookes AO for **The Victorian Women's Trust**

Dr Cassandra Goldie for **Australian Council of Social Service**

Sara Kane for **the Employment Law Centre of WA**

Kirsty Nowlan for **The Benevolent Society**

Sabina Leitman for **WA Branch Australian Association of Social Workers**

Chris Twomey for **West Australian Council of Social Service (WACOSS)**

Annie Mullan for **Australian Association for Infant Mental Health West Australian Branch Incorporated WA**

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Elizabeth Barnes for **MIDLAS Midland Information, Debt and Legal Advocacy Service**

Gemma Crawford for **Centrecare**

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The following members of the Equality Rights Alliance:

Ruth Medd for **Women on Boards**

Margaret Findlater-Smith for **National Council of Women of Australia**

Louise Johnson for **Women's Special Interest Group (PHAA)**

Melanie Fernandez for **Women's Electoral Lobby Australia**

Kelly Bannister for **Australian Women's Health Network**

Melba Marginson for **Victorian Immigrant and Refugee Coalition**

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Carmen Hannaker-Green for **The Union of Australian Women**

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Dr Madeleine Laming for **Australian Federation of Graduate Women**

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