

SUBMISSION BY
UNIONSWA
TO THE
PRODUCTIVITY COMMISSION INQUIRY INTO PAID MATERNITY,
PATERNITY AND PARENTAL LEAVE

Introduction

UnionsWA believes that the time is now right for the establishment of a universal, federally-funded scheme of paid maternity leave for Australian women. Many submissions will cite the arguments for a paid maternity leave scheme and we do not repeat those here but rather make a few salient points. UnionsWA supports the submission by the ACTU on this matter.

Paid maternity leave is an important benefit for both employer and employee in that it enables an employee to remain with her existing employer and thus reduces the cost burden on an employer for recruitment, training and the like. It is also important for industry as, at a time of acute labour shortages, any measure that retains an employees' connection with their workplace and employer is surely valuable let alone the need to establish Australia as a nation of choice for migrating skilled, technical and professional employees. Furthermore, a scheme of paid maternity leave will provide support to families at a time when they need it most - at the time of the birth or adoption of their child.

This submission outlines the views of UnionsWA on key issues in relation to paid maternity leave. We strongly support the introduction of a national paid maternity leave scheme funded by the Federal Government, in which women are entitled to at least 14 weeks paid leave.

As a minimum, the leave should be paid at the rate of the federal minimum wage plus 9% superannuation although we would urge the Commission to recommend a scheme that requires "top-up" of salary for working women.

Paid maternity leave is an essential addition to the minimum safety net of employment-related entitlements and social benefits. UnionsWA would argue that paid maternity leave should be provided for as a safety net and therefore also as a new National Employment Standard for adoption in 2009.

Paid maternity leave or...?

UnionsWA unequivocally supports, at first instance, the establishment of a scheme of paid maternity leave.

Whilst acknowledging that many fathers seek to contribute to the early care of their child, the burden falls squarely on women, particularly in the first few months following birth to be the primary caregiver. To its shame, Australia remains as one of only two OECD developed nations that does not have a paid maternity leave scheme. It is therefore an absolute priority for such a scheme to be established for women now.

We also support ILO Maternity Protection Convention number 183 on this.

We accept that the provision of parental leave is prevalent in many awards and agreements. This should continue to be the case, that is, parental leave is bargained for until such time as paid maternity leave has been well and truly established as a universal scheme.

With respect to any provisions for maternity leave or parental leave that employees currently enjoy through their awards/agreements, this should continue to be provided and paid for by the employer. In other words, we submit that any universal scheme must sit alongside, and be additional to, the existing rights and entitlements of employees.

Components of a scheme

We support paid maternity leave for a duration of at least 14 weeks. As previously expressed, this is entirely consistent with the ILO Maternity Leave Convention and is an acceptable **minimum** entitlement for paid leave for the birth of a child.

It should be noted, however, that even providing 14 weeks paid leave sets Australia at a significantly lower level of maternity leave protection than many other OECD nations. UnionsWA would recommend that following the establishment of a minimum base case of 14 weeks a further review be carried out with a view to extending the period available on paid leave.

Any period of paid maternity leave should be able to be taken at half pay for double the term (i.e. 28 weeks).

The scheme should cover all women irrespective of whether they are in waged employment or not. Accordingly there is no need to have established a “qualifying period” (usually 12 months) as is currently the case in many awards/agreements. We would note that this would also clearly provide that the scheme is available to all categories of workers irrespective of their employment contract (part-time, casual, piece work etc).

UnionsWA proposes that the scheme also include an adopting mother where the adoption is of a child less than five years of age.

Payment

As previously stated, UnionsWA supports a universal, national paid maternity leave scheme funded by the Federal Government. This scheme should be paid at a sufficient level so as to adequately meet the financial needs of new mothers and to recognise to some degree the loss of earnings, service and career path, albeit possibly only temporary, that women experience.

The level of payment for the scheme should be no less than the current (at the time) Federal Minimum Wage and 9% Superannuation contribution.

However, some thought must be given to the appropriate rate for working women whose work is outside of the home and who earn more than the minimum wage. The ILO convention states that women in these circumstances should be paid no less than two thirds of the rate of their previous earnings. UnionsWA would support this as a minimum and supports the proposal that such a payment beyond the minimum wage be paid for by the employer. Indeed, we would argue that there must be a requirement for employers to “top-

up” wages to the same rate as women were earning before their maternity leave. We would urge the Commission to recommend this.

Ideally, a scheme of this nature should impose as little significant additional administrative or cost burden as is possible. In proposing a national, universal scheme it makes sense for payments to be made through a Federal Government agency. It would seem that Centrelink is ideally placed to manage this.

Where an employer “top-up” is mandated, then the ATO might play a role in managing the payments along with the employer.

Finally, some question might arise as to whether the minimum wage should be discounted for “juniors” who might receive the payment. A “junior” is typically defined as any person below the age of 21 in relation to the federal minimum wage, with a “junior” only receiving a percentage of the adult minimum wage. It is our very strong view that there should be no discounting of the rate payable for maternity leave irrespective of age. The financial impact of having a child is not determined by the age of the woman having the child and therefore discounting is irrelevant.

ENDS

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Secretary
UnionsWA