

Catholic Women's League Australia Inc.

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Member Organisation of the World Union of Catholic Women's Organisations
NGO in Consultative (roster) status with the Economic and Social Council of the United Nations



National Secretariat: Favier House, 51 Cooyong St
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Submission to: The Productivity Commission

Re: Inquiry into Paid Maternity, Paternity and Parental Leave

Date: June 2008

AIMS AND OBJECTIVES

Once a woman has a baby, it is the baby that has the greater claim on a mother's presence. The falling birth rate has resulted in a shortage of workers, making it essential for women to remain in the paid workforce. It is therefore important to make it easier for working mums to balance their employment with the important job of raising children.

Catholic Women's League Australia accepts that this inquiry into Paid Maternity, Paternity and Parental Leave is aimed at looking into:

- the means of maintaining the work force
- work decisions following the birth of a child
- the health and welfare of the baby
- ensuring maternal health
- the well being of other members of the family
- and of the whole community

THE CRUX OF THE PROBLEM

The main problem is that the overall fertility rate in Australia continues to decline, and current cultural trends are likely to keep the fertility rate down well into the future, according to Monash University demographer and sociologist Dr. Genevieve Heard.

Despite a recently reported increase in the fertility rate from 1.73 children per woman in 2001 to 1.83 in 2005, as recorded in the 2006 census, our birth rate is far below replacement level that is, 2.1 children per woman over a lifetime. Dr. Heard writes "The average number of children ever born per woman remains in long term decline.... this decline is evident in each age group across the reproductive years".

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A concerning trend is an increase in the number of women at the end of their reproductive years with only one child or with no children at all, and a decrease in the number of women with three children or with four or more children.

Australia's fertility rate maybe relatively high compared with OECD countries but it remains far from replacement level as does theirs apparently.

The second problem is the declining number of workers necessary to provide taxes to cover the nations health and aged care costs.

A similar problem is evident in other countries with a low birth rate, such as Germany and Japan, the latter has cut the aged pension by 25% while Germany encourages women to have children when they are young and get their qualifications and work opportunities afterwards.

The Productivity Commission is surely seeking answers to the question 'how can we here in Australia make it possible for women in the paid work force to have children?'

It is entirely possible that women have so few children because they don't get the opportunity to fully experience the joys of motherhood. The necessity for a family to have two incomes is a fact of life. The government can assist by providing a minimum payment to enable new mothers to stay at home for up to 12 months.

There is not much joy in leaving your baby at child-care around 8 in morning and returning tired of an evening to pick him/her up!

After a days work the mother is likely to be overtired and irritable and in no mood to enjoy her newborn, other children or her husband and this in turn impacts on her work.

We believe that the German solution is good viz. Encourage women to have children when they are young then gain their qualifications and paid employment. Postponing having a baby frequently results in disappointment.

The Australian Government, has already legislated for the right of a woman to take 12 months maternity leave and has provided a baby bonus. It is a sad fact that most modern families rely on a second income and this is impacting on the nations fertility rate.

CWLA is hopeful that the government will now go a step further and allow a minimum payment of around \$400 a week for 12 months to mothers on leave from paid work following the birth of a child. The minimum wage, plus the fortnightly baby bonus payments, may make it financially possible for women in the paid economy to bear and bond with their child and hopefully have another.

THE MEANS OF MAINTAINING THE WORK FORCE

The Baby Bonus acknowledges the contribution, mothers make to the nation in giving birth to a 'new' Australian and as such should be available to all mothers.

CWLA believes the baby bonus, now paid fortnightly, rightly belongs to every woman who gives birth to a child and should **not** be means tested. Multiple births require an incremental change in payments.

We were shocked by the Newspaper headlines a fortnight ago “**Rich babies are on their own**” with the Prime Minister questioning whether “millionaires need the baby bonus”. CWLA hold that the Baby Bonus is appropriate to all mothers.

At a time when most families rely on a second income, for the government to make it financially possible for a mother to remain at home with her child (children) following a birth is an investment in the future of the child and the nation.

The child-care subsidy could be paid directly to all mothers so that they may make their own child care arrangements hopefully with a loved adult rather than the billion dollar childcare industry.

*The Myth that children benefit from child care has led to this government setting aside **\$2.6 billion in government subsidies** to offset the cost of child care for families – none of this money will go to mothers at home caring for their own children.*

It is important to compare formal child care with parental care, but there are few studies that have actually done this, for it does not fit with dominant research perspectives in this field. There is a large American study by the National Institute of Child Health and development that found children in centre-based care had greater risk of behavioural problems than those cared for at home, and that this risk increased the longer the child spent in care.

Australian research on child care is sparse. However Kay Magretts of Melbourne University has found that children who had been in child care for extensive periods (with the exception of pre school) had more trouble adjusting to school on a variety of measures.

The truth is that governments are being pushed to commit ever-increasing amounts of tax payer's money to funding something that does not deliver the claimed benefits. Australian childcare advocates are convinced of the case for more child-care and greater subsidies, but the evidence does not support their claims.

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I can't help wondering how the \$2.6 billion that this government has set aside for childcare could be redirected to mothers who care for their own children rather than to ABC Learning Centres that last year, according to the company, received \$128 million of its \$292 revenue from government subsidies. That's more than 40%. ABC Learning is said to be Australia's most subsidized company. *Australian News, Green Left Weekly 12 March 2008.*

While Mothers who care for their own children get not one cent!

One form of childcare should not attract public money at the expense of others.

THE HEALTH AND WELFARE OF THE BABY

It is a serious shortcoming of society's policies when women in some of the worlds most affluent societies can no longer afford to breast feed and mother their babies.

Mc Cain and Mustard's 'Early Years Study' says and I quote.

'Breast-feeding is not just a matter of supplying better milk – the experience of breast-feeding with its opportunity for skin to skin touch and smell stimulation. When a baby is being breast fed, cuddled and rocked in his mother's arms as she smiles and coos at him, his brain is busily receiving signals through the sensations of warmth, touch taste and sight sound and smell. In the first three years, when the brains pathways are being "wired". These experiences help to develop structures and functions of the brain in ways that will set the base for lifelong effects on learning, behaviour, and emotions, influencing his sense of security and social relationships throughout life'.

Breastfeeding provides the best nutrition and gives equally important emotional sustenance. The warmth of touch stimulates other neural pathways. At the breast the baby is at just the right distance to focus on mother's face. Positive eye contact is incredibly important. Smiling at a baby, for example releases natural opiates in their brain. A mother interacts with her child all day, speaks to them and plays with them there is no adequate substitute for being at home with Mum.

I recently watched a documentary entitled "Lost Children of Bulgaria" – it was both shocking and moving. Children dumped in an institution where they were poorly fed, never taken outdoors talked to or soothed, or given any stimulation whatever – with the result that they just rocked all day and lacked the ability to speak.

I am not suggesting that Australia's child-care is as bad as this but I have seen the little ones in child care run to the cyclone fence when I pass and I have felt their longing for someone who cares.

I have observed how child-care workers protect the children from harm (most of the time), change their nappies, wipe their noses occasionally and feed them but the workers mainly speak to each other and rarely speak to the children. It is institutional care.

A child needs its mother for at least the first 12 months of life. If the government didn't subsidize institutional childcare for babies under 12 months, the money saved together with the saving on the child-care rebate could finance the minimum payments to working mothers.

Enabling a mother to be with her child for 12 months would be a health benefit to both mother and child. Women are intelligent enough to quickly pick up on any changes in the workplace.

I have heard the idea promoted that children thrive in child-care, are more confident and better socialised.

My hobby is watching for calm and confident children in the supermarket and when I compliment the mother on her delightful children I invariably discover that she is a 'stay-at-home' Mum. I spend a lot of time reassuring 'stay-at-home Mums' as to their status in society by reminding them "you are doing the most important job of all caring for your children".

ENSURING MATERNAL HEALTH

The contribution of unpaid work associated with mothering is more important than any work in the monetary economy and fully merits the Baby Bonus.

Mother's are irreplaceable in the development of children and undoubtedly form the basis of a child's future security but mothers need a couple of hours break now and then.

Why can't the childcare subsidy be paid directly to the mother?

If a home-based parent received the child-care subsidy it would enable them, as well as working mothers, to arrange their own childcare. Every mother needs an opportunity to revive and refresh herself.

There is currently no short-term childcare for mothers rearing their own children and if they had the funds they could arrange a break occasionally.

When a mother comes to term she needs someone to care for the children while she is in delivery and recovery. The childcare subsidy would be most helpful in this necessity.

A mother needs time to recover from childbirth and have her hormones return to normal. We hear that some women return to work within a fortnight of having a child often out of fear of losing their job. If this is so it is unacceptable.

It is important to ensure that Mothers are not in any way pressured to return to paid work before they feel ready. The workplace needs to be family friendly and allow for sickness at home.

Many mothers would prefer to rejoin the work force part time and ease back into it - this ought to be an option as the mother now has to ready the baby for childcare and leave him/her there before continuing to work – paternal leave at this time would be helpful.

THE WELL BEING OF OTHER MEMBERS OF THE FAMILY

Children deserve a mother and a father and - children need siblings. I am saddened to see so many one child families and invariably say to a mother “the best thing you can do for your child is give him/her a brother or sister”.

The most important thing a father can do for his children is to love their mother, assume his full role as a father, give practical assistance with the family and help with chores and shopping. Fathers should be seen as co-workers and their family friendly employers brought to understand that sometimes a child must be taken to the doctor etc.

Sometimes a wife has the greater earning capacity and it is the father who applies for parental leave following the birth of a child and in such cases it should be granted. The minimum ‘wage’ will then be made payable to him. It’s pleasing to see numbers of fathers caring for their children.

One of the most challenging aspects of family life is making time for everyone and spending time together – sadly, because of extended work hours, husband and wife frequently pass like ships in the night and become like strangers. The extended business week has largely deprived families of a week-end together and this is highly detrimental to their ongoing happiness.

Australia’s divorce rate is unacceptably high and affects everyone involved particularly the children.

THE WELL BEING OF THE COMMUNITY

‘Stay at home Mums’ not only care for their own children, they do myriad other things like helping out at the school, finding time for community work and caring for elderly relatives and neighbours, making it possible for them to remain in their homes and affording some relief to a major government headache as our population ages.

If these children and older people were suddenly thrown upon government resources the number of places needed would suddenly double along with the government funding.

Home based women contribute greatly to the broader society providing hundreds of hours of voluntary work settling refugees, packing ‘kits’ for distribution by the Diabetic Association, ‘manning’ the phones at Life Line, working for the Red Cross, delivering meals on wheels and many other services that rely wholly on the hard work and generosity of voluntary workers.

In their fifties and sixties women frequently take care of their grandchildren, on a regular basis without cost to parents - certainly without cost to governments. Many grandparents have full time care of their grandchildren because of parental incapacity.

FINANCING OPTIONS

Maternity support payments need to be structured so that an inclusive scheme is adopted that supports all mothers and children equally ensuring that:

- no mother is excluded from receipt of the baby bonus
- payments need to increase incrementally with multiple births
- Mothers are not in any way pressured to return to paid work before they feel ready
- a minimum 'wage' be provided for the mother on leave from paid work for 12 months.
- the childcare subsidy is paid directly to mothers.

Family Tax Benefit Part B places the focus on the family with dependent children – acknowledging the living expenses of the unpaid worker in the home - **through the tax system** – this acknowledgment is important.

Measures introduced in the Federal Budget are concerning those of us that work in the home. There seems to be an open attack on Family Tax Benefit B and the Spouse Rebate.

Family Tax Benefit Part B assists mostly low and middle-income families who have one parent at home full time caring for dependent children and should be retained.

Family Tax Benefit B marks the tax threshold and childcare money for those who receive it. If FTB (B) were to be means tested then so should the tax free threshold and child care benefits of all workers. The FTB (B) is already reduced when the youngest child goes to school this does not happen to benefits provided to mothers in the paid workforce.

Family Tax Benefit Part B replaced the Home Child Care Allowance, introduced by the Keating Government, which largely replaced the Dependent Spouse Rebate.

The Dependent Spouse Rebate, payable to a dependent spouse with no dependent children recognises that two people are living on one income and that both have living costs that need to be allowed for before tax is levied on that income. The equity principle here is 'when more than one person is dependent on an income it should not be taxed as stringently as if supporting one adult'.

The Spouse Rebate is received by women who no longer have dependent children but who provide a substantial amount of child care as grandmothers while their own adult children participate in paid work. These same women also provide huge amounts of eldercare that is critical in enabling their elderly parents, aunts, uncles, neighbours to remain in their own homes for longer. The same women (and men) provide the army of volunteers who settle newcomers – mostly those who are refugees – in their new country and care for their grandchildren when their parents are incapacitated.

Both the above entitlement plus the Baby Bonus cease if the family income reaches \$150,000 – a healthy income. But you can earn a million or more and still be entitled to the Child Care rebate of \$7,500 per child – handing over your children to a third party seems to ensure that you will suffer no loss through tax or allowances.

In the United Kingdom many groups are speaking out against a government policy that places so much emphasis on getting mothers into the paid workforce, despite evidence that most families would prefer their children to be cared for at home when they are little. Clarissa Williams, head of the National Association of Head Teachers has criticized the British system saying it “entraps” vulnerable families, and leaves schools and nurseries to bring up children. She asks why governments so “distrust parents that they try to separate them from their children at the earliest opportunity?”.

Micki Brooks also of the National Association of Head Teachers has also criticised the U.K. government’s policy of offering childcare 8am to 6pm. The British Government says all schools should offer after hours clubs and childcare by 2010 to end the culture of “latch key kids”. Brookes said the vast majority of parents want to see their children after school. I must confess to anger at the little I saw of my children once they commenced school I felt like saying “hang on they’re my kids you can’t have them all the time!”

There is a big push to extend after school care here in Australia.

CATHOLIC WOMENS LEAGUE AUSTRALIA recommend that

- no means test be applied to the baby bonus
- the baby bonus be paid directly to all women upon the birth of a child, irrespective of whether they are in the paid work force prior to the birth, or whether they intend to return to paid work.
- such a maternity payment **provides fair and equitable support for all new mothers, whatever choices they may make about participation in the paid or unpaid workforce.**
- equity and justice demand that new mothers in both the paid and unpaid workforces, be assisted financially following the birth of a child in recognition of the contribution they have made to the country in giving birth to a “new” Australian and the extra costs incurred thereby.
- the government pay a minimum weekly ‘wage’ to mothers on 12 months maternity leave to enable them to be with their child. These mothers should also continue to receive the fortnightly baby bonus payments.
- there be incremental payments for multiple births
- the childcare subsidy be paid direct to all mothers.
- the important career of wife and mother be given a higher status.