

SUBMISSION TO THE PRODUCTIVITY COMMISSION'S INQUIRY INTO PAID MATERNITY, PATERNITY AND PARENTAL LEAVE.

NATIONAL COUNCIL OF WOMEN NEW SOUTH WALES Inc.

National Council of Women New South Wales Inc. (NCW NSW Inc.) supports a national scheme of paid parental leave. National Council of Women New South Wales Inc. has been established since 1896. Its objectives are to bring together in association voluntary bodies, societies or associations of women and of women and men:-

1. To promote sympathy of thought and purpose among women of New South Wales.
2. To uphold the social, civil and moral values and religious freedom of the community.
3. to promote the interests and advancement of women and to secure their recognition in the community.
4. To promote such conditions of life as will assure to every family and child an opportunity for full and free development, and to uphold the family as the basic unit of society.
5. To form a link with National Councils of Women in other countries through the National Council of Women of Australia Incorporated Limited and the International Council of Women.

The motto of National Council of Women New South Wales Inc. is:
"Do unto others as you would have them do unto you."

Under the previous social order up to 1940s Australia, married men were expected to be breadwinners while married women were expected to be full-time home makers and child rearers, rather than being a substantial part of the labour force. Normal living standards were based on the single income family model.

By the 21st century that system was no longer the norm. Women are now expected to take their place in the labour force, and aspire to equal rights, wages and conditions as men. However women are not acknowledged or compensated for the fact that they also have the role of child bearing and child rearing. When women have children they are suddenly thrown back into the role of dependent spouses.

Family finances, particularly housing, are geared to two incomes. If a woman takes unpaid maternity leave it can often precipitate a family financial crisis. Particularly for families with moderate incomes and high mortgage repayments that crisis can be so severe it could mean having to choose between continuing with a pregnancy or continuing with a home purchase.

The new social order needs to recognise women workers' need for income protection to accommodate the fact that they are the gender who have children. Not only do families place very high importance on children, but socially and economically there are strong arguments for reversing the long term decline in the natural birth rate.

Although paid parental leave on its own will not solve the dilemma of work/life balance for pressured families, it is an important part of building the strong social

foundations that give children a great head start to life, especially during the critical early years of their development, while promoting our nation's future prosperity.

Supporting Statement and Facts:

Australia now has one of the lowest maternity/parental leave systems in the world. For many years, Australia has been one of only two OECD countries without a national paid maternity leave scheme - the other country being the United States.

Who has access to Paid Maternity Leave?

At a time when international provisions are increasing, the best available data¹ suggests that only 37% of Australian working women currently have access to some form of paid maternity leave, leaving 63% without any.

Only 19% have access to 14 weeks or more paid leave.

Women on low pay, in smaller workplaces/smaller business, in the retail and accommodation sectors, and/or in self-employed employment, have much less access than other women.

What industries offer Paid Maternity Leave?

Only 12.3% of those women working in accommodation and food services had access to some form of paid maternity leave, 25.9% of those in retail, 36.5% in manufacturing and a third of those in general services employment compared to 73.5% of those in the public sector.

Around two-thirds of women working in the financial and educational sectors have access to paid maternity leave.

The gaps in entitlements to paid maternity leave are very wide based on different skill levels with only 21.2% of labourers and 22.1% of sales workers having some entitlement to any paid maternity leave, compared to over 50% of managers and 63.9% of professionals.

Just over 33% of those in the private sector had any entitlement. The gap is also very wide for part-time employees, with only 27.7% of part-time employees having any entitlement compared to 57.5% of full-time employees (ABS Cat No 6310.0, August 2006).

Rural women whose work is essential to the family farm have no coverage at all.

A formal and structured system of paid maternity leave would reduce these obvious inequalities between women, especially those employed in lower paid jobs.

¹ National Foundation for Australian Women – Media Release – 11 September 2007

What benefits can Paid Parental Leave deliver?

For the parent and child:

Paid parental leave contributes to:

- Reducing overall infant mortality;
- Improved child cognitive, social and emotional development;
- Longer breast feeding which enhances the health of the child;
- Improved maternal and child health (including increased immunisation rates) and
- Savings in child care costs.

For employers:

Paid parental leave is increasingly seen by employers to benefit their organisation by:

- Increasing the number of employees returning to work after maternity leave;
- Reducing recruitment and training costs;
- Improving staff morale and productivity;
- Providing a cost-effective means of retaining skilled staff and
- Improving organisational efficiency through the benefits of long service – institutional memory, industry and corporate knowledge, networks and contacts.

In 2005, The Equal Opportunity for Women in the Workplace Agency's Annual Survey found that the retention rate of female employees whom had taken maternity leave was 67% in organisations where paid maternity leave was provided, but only 56% in organisations where no paid maternity leave provisions were offered.

Employers that provide paid parental leave provisions are signalling their commitment to their employees. This typically translates into increased job satisfaction, greater employee productivity and improved employee loyalty which in turn maintains a sustainable employment.

For the economy:

The economic dividends of quality early childhood parental care (including through measures like paid parental leave) will result in long term savings for governments (and better wellbeing for children and parents).

Labour market participation rates of women, work and family arrangements in various OECD countries show that Australian women's employment participation rates are much lower than other countries, ironically at a time of rising concern about the challenges of an ageing workforce.

Paid parental leave helps working families keep abreast of inflation, rising cost of interest rates and rearing children.

The provision of paid parental leave may increase the attractiveness of employment, encouraging more people to enter the labour market.

Paid parental leave has also been linked to increased fertility rates (especially for the likelihood of subsequent children) and this has implications for addressing future labour market shortages.

International Comparisons:

<i>Country</i>	<i>Provisions for parental leave</i>
Australia	Variable in small pockets of industry.
Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Turkey and the UK	Statutory entitlement to maternity leave, paid at more than 50% of earnings (in most cases up to a ceiling)
USA	No national entitlements, but California, Hawaii, New Jersey, New York and Rhode Island provide payments.

Among mothers who returned to work within 15 months, 46% had indicated that they would have returned later if they had access to more paid maternity leave (this includes mothers who had no access to paid maternity leave).²

The following questions need to be asked of the introduction to a paid parental leave scheme.

- How do we balance the funding between government, employees and employers, particularly small business? (It must be stressed that paid parental leave is particularly a problem for small businesses which may not have the financial capacity to fund and implement the scheme on their own.)
- How do we balance the need for a paid parental scheme between the young struggling family and the older successful family?
- The objection by those couples who decided not to have children to pay for a paid parental scheme for those couples that did decide to have children?

May 2008

² Inquiry into Paid Maternity, Paternity and Parental Leave – Productivity Commission Issues Paper, April 2008.

REFERENCES:

Inquiry into Paid Maternity, Paternity and Parental Leave, Productivity Commission Issues Paper, April 2008.

National Foundation for Australian Women Media Release, 11 September 2007.

Whatever happened to paid maternity leave?, Julia Perry, National Foundation for Australian Women Website 2007/2008.