



PolMin
influencing public policy
for the common good

Just Work: Human Dignity for Working Parents

Submission to the Productivity Commission

PolMin calls for the Productivity Commission and the Australian Government to immediately establish a Paid Parental Leave scheme – both maternity and paternity - to assist parents at work.

Catholic Social Teaching and Paid Parental Leave

PolMin's position on Paid Parental Leave is informed by over a hundred years of Catholic Social Teaching, particularly the principles of:

The Common Good

- Paid Parental Leave is for the common good of society because it promotes the health and happiness of workers and their families.

Human Dignity

- Paid Parental Leave is essential to preserving human dignity and protecting the common human family. It is a sign that Australia respects and has compassion for working parents.
- All people are created in the image of God and so share a common, spiritual dignity. We have a responsibility to respect and protect our family members.



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The Australian Catholic Bishops said it best when they asserted that “*work exists for the person, not the person for the work*”.

◆ **The Dignity of Work**

- People gain dignity from their work and want to be gainfully employed. Paid Parental Leave supports women and men with family responsibilities to continue to participate in the workforce.
- In return for contributing to the common good of the economy and society, workers balancing parenting responsibilities must be treated with fairness, respect and compassion by business and government.

◆ **Solidarity**

- Paid Parental Leave emphasizes the interconnectedness between people in the workplace. By preserving family life at work, Paid Parental Leave shows work to be a communal experience for the common good, rather than a mere vehicle for the personal gain.

◆ **Family**

- Paid Parental Leave is a sign of the respect the nation has for the prime social unit of Australia – the family.

The principles of Catholic Social Teaching are significant in the debate about paid parental leave in Australia and how it should be provided. This is because CST underpins Australia's benchmark Paid Parental Leave provisions, the policy of the Australian Catholic University.

ACU has the best Parental Leave provisions in the country because of its commitment to the principles outlined above and the value it places on families. It enables its female employees to take one year of paid leave, with 12 of those weeks at full, pre-birth weekly earnings and the remaining 40 weeks at 60%.

PolMin urges the Productivity Commission, the Australian Government and Australian businesses to acknowledge the way values about family, women and the importance of childrearing, as encapsulated in Catholic Social Teaching, have on the debate about Paid Parental Leave. Decisions on this issue will not be based on the bottom line and increasing productivity in the national interest alone, but because it is socially and morally the right thing to do for the common good of women, men and children.



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Paid Parental leave: a question of life transition planning.

Workforce participation is impacted by events affecting individual health, wellbeing and lifestyle. It is widely appreciated that aging and illness prohibit workforce participation. To assist people unable to work because they are physically unfit to do so, Australia has adopted a social security model of income support. More recently, as the cost of supporting retiring workers increases, government has created a Superannuation scheme, encouraging businesses and workers to co-contribute to a post-work savings plan.

Child bearing and rearing also affects workforce participation, but Australia has no plan to manage its impact on the individual or business. Perhaps this is because parenthood has been too long considered an unplanned event or personal choice only affecting the lives of women.

Planning to bring a child into the world is an enormously significant decision. It is life changing for women and men involved. It impacts on the physical, emotional and spiritual health of families and also on the family budget.

But, creating new life is more than just a personal choice. Bearing children is also vital to the economy, producing more workers and consumers.

PolMin believes that for too long, Government and Business has allowed the question of childbirth, to be seen as a private matter. While business and government are happy to reap the rewards of women in the workforce and the birth of new citizens, the cost of parenting continues to be born solely by individuals.

But the economy also benefits when working parents are supported in their choices to balance work and family life. Without work-life balance options, businesses risk losing women workers altogether. With population ageing, Australia's future labour supply growth relies on increasing the workforce participation of women during childbearing years.

For PolMin, there is only one answer to resolving the conundrum of how to increase the workforce participation of women while at the same time maintain and increase fertility rates – a



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deep and profound change to workplace culture, which includes, not just a transfer of some of the initial cost of parenting onto government and business, but complimentary strategies that foster family friendly cultures at work.

It is hence vital that individuals, government and business work together to support women and families with paid parental leave choices and flexible workplaces. One without the other is a system obsolete before it has begun.

Parenting is productive – respect for childrearing.

By referring this review to the Productivity Commission, the Australian Government has raised the prospect of challenging traditional ways in which society views the concept of productive work.

In the past, only work outside the home for wages and profit has been considered “productive” to the economy. The traditional work of women - raising children and maintaining the home - has been unpaid and unrecognised.

The gender revolution of the 1960's, healthily, challenged the notion that gender determined who did which type of work. But it did not challenge the underlying assumption – an unrealistic, false assumption – that child raising and housework were less important to the economy.

Women wanted the workforce and the workforce wanted women. But because the unpaid work done in the home, was never respected as important, no-one properly planned for the implications of losing this important worker – in the family or the economy.

This review represents a chance to fix this anomaly by creating a set of programs that respect both work and family responsibilities as vital to the economy and ensure their smooth, simultaneous management.

Family hostility in the workplace

Currently in Australia, there is a workplace culture that is hostile to working families. This in turn is having a lasting and significant affect on the preparedness of parents to work. Many workplaces



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are not merely insensitive to working parents, but completely desensitized to how much time, effort and money is required from families to manage parenting and work responsibilities at the same time.

PolMin submits that how women are treated by their employers at the crucial life transition of pregnancy and birth, shapes their preparedness to participate in the workforce and society postnatally.

A workplace and society that does not provide paid parental leave sends an immediate message to new mums - *"I am a business and economy that is hostile to you. You're not welcome"*. The inability to request flexible working hours and conditions further alienates women from the workforce after birth. PolMin believes many women, understandably respond to this hostility by opting out of the workforce altogether.

PolMin believes unpaid leave merely reinforces a culture of discrimination towards parents that is already quietly practiced in the workplace. Individuals know that nothing less than long hours of devotion – mobile phones and laptops in the lounge room – leads to promotion and pay rises. This culture is inconsistent with family responsibilities. It is a culture that destroys marriages and happy homes.

PolMin believes many families consciously choose to preserve their family life and limit the hostility in the workplace by sending *only one* half of the couple, usually the man who has the capacity to earn more, into the workforce full time. It is much easier to maintain the perfect image of a productive worker, unencumbered by family responsibility, this way. When two parents attempt to negotiate flexible work conditions there is a risk that both parents will be penalized financially and professionally for not placing work ahead of home life. The entire family then loses.

There is no such thing as a worker without family responsibilities. Businesses that mask the truth of this statement by requiring more from their workers than is sustainable for their family, merely create a false economy.



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The introduction of a Paid Parental Leave scheme will be an important signifier to new mums and dads that businesses support parents and value parenting.

Unpaid Parental leave = long term loss of women workers

In contrast, an ongoing system of unpaid leave will encourage parents, particularly women, to leave the workforce long term.

Because women take leave regardless of whether or not they are paid, the lack of a regular income during the initial birth months simply teaches new parents to cope with limited financial resources. The reduction in income encourages better budgeting, reduced consumption and other savings.

Unpaid leave is training for a one-income family. In contrast, a Paid Parental Leave scheme maintains the family's dependence on a second wage.

PolMin has mixed feelings raising this issue. While it supports under consumption and the importance of budgeting as a common good for families and the nation, it is concerned that some families are edging closer to the poverty line, rent and mortgage stress.

PolMin believes that with Australia facing a skills shortage and trying to get women to work, it should be a concern to the Productivity Commission and the Australian Government that a system of unpaid leave is acting like a practice run for women to downsize their workforce participation longterm. Coupled with a lack of affordable childcare, this is causing systemic lack of participation of women.

Women need real choices

PolMin believes that women gain dignity from engaging in work outside the home. They enjoy having a career, add unique value to organizations and the economy, enjoy personal and professional contacts and deserve access to an intellectually stimulating environment.



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Women with children need to have the choice to work without feeling pressured by an unfriendly workplace culture or financial disincentives to participation.

Returning to work must be financially viable for women and families. If the commercial rate for childcare and home maintenance is exorbitant, far outweighing the savings to be made from an unpaid worker in the home, then women, with a rational eye on what's best for the family, may continue to choose not to participate in the workforce. Even if this places limits on their own joy and personal ambition.

A Paid Maternity Leave Safety Net - Duration and Benefits

PolMin supports a minimum 14 week paid maternity leave scheme, funded by the government, set at the minimum wage with employers topping up the difference.

However, PolMin believes that more leave the better for the health and wellbeing of post natal mothers and newborns and so supports any government funded system above the 14 week safety net.

PolMin believes women *deserve* leave. Most women manage to work during pregnancy, coping with nine months of physical and emotional changes, while at the same time carrying on employment. Pregnancy is no longer considered an incapacity or disability. But along with childbirth itself, it is still a physically and emotionally draining experience.

Paid leave ensures women can focus on important health concerns for them and their baby, such as:

- ◆ Recovery from birth
- ◆ Bonding with the newborn
- ◆ Breastfeeding
- ◆ Post birth weightloss of the mother
- ◆ The prevention of postnatal depression
- ◆ Making safe and happy childcare arrangements



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PolMin believes that the scheme should be government funded because many third sector organizations – such as non-profit organizations like PolMin, community organizations and charities – lack sufficient funds to pay leave entitlements and at the same time employ temporary staff. Without a government funded scheme there is always a loser – either the individual or the organisation misses out.

In addition to paid leave provisions, women should be entitled to take a full year, whether paid or unpaid, without losing their position.

Paid Paternity Leave

PolMin supports four weeks paid paternity leave, government funded and set at the minimum wage, with employers topping up that amount.

PolMin believes that the fathers in Generations X, Y and beyond, want more time to bond with infants and to adjust to the daily routines of a newborn. Fathers also face sleep deprivation and emotional changes when children are born. Paid paternity leave is recognition that men are also balancing family responsibilities in the workplace.

Men should also be entitled to request a full year of unpaid leave without losing their employment.

Superannuation – A Life Transition Savings Account

PolMin is conscious that a government funded Paid Parental Leave scheme would always be subject to policy and regime change and the vagaries of press and public opinion. That is why, in addition to a government funded paid parental leave scheme, PolMin recommends that the Superannuation system be reformed to enable citizens to plan for childbirth and rearing through a parental leave savings plan.

For too long Superannuation has supported a paternalistic experience of the workplace. Women face a much more early interruption to their working lives, yet are given no choice how to spend their superannuation savings. For many families, investing in a loving, supportive family is a more



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wise way in which to plan for retirement– better than relying on a self-funded or government pension scheme to provide care and financial support.

PolMin therefore calls for an immediate extension of the special circumstances grounds on which superannuation funds can be withdrawn to include parenting leave for the first year of a child's birth. The amount to be withdrawn should be capped at a reasonable level, perhaps somewhere equivalent to the baby bonus. The withdrawal should be free of taxation implications or penalties.

PolMin believes that the Australian Government should establish mechanisms and incentives to enable men and women to voluntarily contribute towards planning for parenthood at the beginning of their career. They should be able to use their existing superannuation funds to do so without taxation implications or penalties.

Long term, PolMin believes that Superannuation should be reformed to a Life Transition Fund, enabling workers to use the fund flexibly over their lifetime for home ownership savings, parental leave, long service and study leave, as well as retirement. PolMin believes that the greater flexibility to use superannuation – without tax penalty – may increase employee contributions to the funds.

Strategies to help new parents return to work and to stay

A scheme of Paid Parental leave alone will not deliver family friendly workplaces or help women return to the workforce after the birth of a child - other strategies must be implemented at the same time.

PolMin supports the following strategies:

1. Protective legislation enabling parents to request from their employers:

- ✦ Flexible working hours
- ✦ Part time work
- ✦ Work from home days



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2. ***A Human Rights and Responsibilities Act that protects women and families and basic employment entitlements.***
3. **Establishment of Working Parent Hubs - Transforming Neighbourhood Houses and Maternal and Child Health Centres**

Women need local supports and solutions to enable them to return to work and successfully balance work and family responsibilities. Neighbourhood houses and/or maternal and child health centres should be funded to become “Working Parent Hubs”.

The Hubs would provide working parents with:

- ❖ A childcare placement officer to help new parents investigate and arrange the best child care options.
- ❖ A return to work advisor, who can help new parents with the transition from new parent to working parent, including information about flexible working conditions and negotiating part time work.
- ❖ Occasional and Long Day Childcare at affordable community rates.
- ❖ Wireless internet, casual telephone and conference space hire and networking opportunities for parents working from home.
- ❖ Workplace preparation training.

4. **Support for the Human Rights and Equal Opportunity Commission and Fair Work Australia to review best practice family friendly policies, including:**

- ❖ developing more broadly recognised resources for employers focusing on the business case benefits of implementing family-friendly work practices including;
 - work from home initiatives
 - children in the workplace
 - facilities for nursing mothers
 - on site health and well being services
 - flexible scheduling and compressed work weeks
 - alternatives for peak workload management
- ❖ developing training packages about the benefits of family-friendly work practices for middle and senior management; and



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- ❖ developing community awareness programs focused on limiting working hours and discouraging presenteeism.
 - ❖ Establishing family-friendly awards for best business practices across industries.
 - ❖ Recommending improvements to childcare provision and affordability, including cash incentives to pensioner grandparents, tax deductions for work from home carers or nannies.
5. **One centralized online search engine for *all* childcare options by suburb, comparing type, duration, availability and costs of care.**
 6. **Increased Federal Government support for quality community childcare.**
 7. **A revived commitment to the minimum wage as a ‘family wage’, fixed with regard to the needs of the family to live in dignity, rather than being set on the basis of a single adult worker.**



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