

Submission to

The Productivity
Commission

Inquiry into Paid
Maternity, Paternity and
Parental Leave

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***Children, Young People
and Families Services***

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About UnitingCare Children, Young People and Families Services

The Children, Young People and Families Services Group of UnitingCare NSW.ACT is part of the Uniting Church of Australia. Our concerns for social justice and the needs of children, young people and families who are disadvantaged inform the way we serve and represent people and communities. UnitingCare Children, Young People and Families Services is made up of UnitingCare Burnside, UnitingCare Unifam and UnitingCare Harris Community Centre. Together these organisations form one of the largest providers of services to support children and families in NSW.

UnitingCare Burnside

UnitingCare Burnside delivers over 80 programs across NSW. We work in communities in South Western Sydney, Western Sydney, Central Coast, Mid North Coast and Orana Far West. Our services are inclusive and based on achieving just, safe and healthy life experiences for children, young people and their families. We aim to protect children from abuse and neglect by breaking cycles of disadvantage and building on strengths. We achieve this by providing services across the continuum of care to support healthy family relationships, encouraging positive change through education and learning and building strong communities. Burnside's services range from:

- preventative programs
- early intervention programs
- child protection programs
- out of home care programs
- after care programs.

UnitingCare Unifam

UnitingCare Unifam provides community-based counselling, mediation and relationship education programs which aim:

- to assist children, young people and adults at times of personal and relationship difficulties
- to manage conflict and develop safe and supportive families within the community
- to support the development of respectful relationships.

UnitingCare Unifam also operates some Family Relationships Centres in NSW.

Our support for the Productivity Commission's Inquiry into paid maternity, paternity and parental leave

UnitingCare Children, Young People and Families Services welcomes the Productivity Commission's Inquiry into paid maternity, paternity and parental leave.

We support the investigation of the social and economic costs and benefits of providing paid maternity, paternity and parental leave. We believe that a paid maternity, paternity and parental leave scheme is a vital strategy to support the well-being of children in their earliest stage of life.

We support the introduction of six-months universally accessible paid maternity, paternity and parental leave to be accessed by the primary carer for the baby and with provisions of shared leave for a period of three weeks at the birth of the baby. This paid maternity, paternity and parental leave scheme should be funded by the government to meet the base rate of pay or minimum wage for six-months paid leave. Full wage replacement should be topped up through an employer-contribution scheme.

A paid maternity, paternity and parental leave scheme will ease the pressures on families, particularly women. It will open up time for parents to form important strong bonds with their young baby. Research shows that stable, secure attachment to one or two significant adult carers, most often the mother, is fundamental to a baby's healthy psychological, cognitive and emotional well-being and development.¹

When compared with other OECD countries², Australia can make significant improvement in the way it supports families, particularly mothers, with young babies. A paid maternity, paternity and parental leave scheme would greatly assist families with the practical challenges of parenting. It also sends a message to parents and the broader community that parenting is important, that it takes time to learn the skills to do it well and that it is okay, in fact appropriate, to make parenting a priority.

The benefits of a paid maternity, paternity and parental leave scheme will include:

- improving the health and well-being of babies and mothers through improving opportunities for bonding, attachment and feeding
- easing financial stress on families which creates more conducive conditions for positive family relationships

¹ For a recent summary of the research into what influences a baby's healthy development, see Manne, A "Love and Money: the family and the free market", *Quarterly Essay* 29, pp. 43-60.

² We recognise that Australia and the United States (with the exception of California) are the only OECD countries that do not have some form of statutory paid parental leave.

- assisting mothers (who can) breastfeed their babies and help them to meet the World Health Organisation's recommendation for babies to be breastfed exclusively for their first six months of life
- enabling parents to develop their parenting skills by giving them time to access and participate in parenting support and health services
- giving families the time and space to adjust to the profound changes that occur when a baby arrives in the family
- helping families achieve work/life balance.

A paid maternity, paternity and parental leave scheme to provide for families who have precarious employment

UnitingCare Children, Young People and Families Services believes that a maternity, paternity and parental leave scheme should ensure that parents who are in precarious, short-term employment will benefit from it.

At present more of than half of Australian women have no access to any form of paid parental leave. There are also a number of women that do not benefit even from the current inadequate unpaid parental leave provisions because they:

- do not meet the qualifying period of '12-months employment with the one employer' for unpaid parental leave and, where available, paid parental leave
- may be employed in short-term temporary or casual employment where they are not able to 'develop' the employment history which enables them to benefit from parental leave provisions
- may be self-employed³.

It is essential that any paid maternity, paternity and parental leave scheme includes all families in the workforce who then seek leave to give birth to a child. It should be accessible to parents who may have fractured work histories and/or precarious or casual employment.

To achieve this, parents should be eligible for paid maternity, paternity and parental leave if they can demonstrate their workforce attachment by having been employed and/or registered as seeking employment in 10 out of the previous 12 months. Employment should not simply have to be with a single employer. The scheme should recognise employment with different employers over the previous 12-month period prior to birth of the child and recognise fluctuating work patterns common amongst casual and temporary employees.⁴

³ In the interests of the well-being of children we believe that close consideration should be given to how self-employed people may be eligible for paid maternity, paternity and parental leave.

⁴ Research has shown that Australia has one of the highest rates of casual employment. A Paid maternity, paternity and parental leave scheme needs to ensure that these workers are able to access the scheme. See for example, Buchanan, J. Watson, I. Campbell, I. Briggs, C. *The Future of Work* by Federation Press, Sydney, 2003.

Paid parental leave should not be a scheme that simply rewards those families who have the privilege of secure and long-term employment.

We believe that including qualifying periods in the scheme to contain costs is most likely to hurt those parents who are already disadvantaged in the labour market (ie working in casual, short-term employment). It is important that the scheme considers how all parents are given support to provide the best start in life for their babies.

A paid maternity, paternity and parental leave scheme to provide for foster parents

Under current parental leave provisions, adoptive families can access unpaid leave provisions. This should continue to apply in any paid leave scheme. However, with growing numbers of children in foster care, we believe that consideration should be given, to include not just adoptive parents, but also those foster carers who take leave to care for a young foster child.

Our proposal for paid maternity, paternity and parental leave

UnitingCare Children, Young People and Families Services believes that a paid parental leave scheme should be government-funded and administered to ensure that all parents are able to access it and benefit from it. One method to achieve this, would be for the government to commit funds to meet the base rate of pay or minimum wage for six-months paid leave.

Full-wage replacement for employees can be topped up through employer-contributions to a fund similar to a superannuation scheme which is then drawn from to supplement the government's base rate-of-pay commitment.

In the interests of the well-being of babies and their healthy development, we believe that the paid maternity, paternity and parental leave scheme should provide income replacement for six months – commencing six weeks prior to the birth of the child.

This should be extended to 12-months paid leave within 3-5 years of the establishment of the paid maternity, paternity and parental leave scheme. 12-months paid parental leave would strengthen the bonds between parents and their children and enable the primary carer to establish the feeding routines (moving to solids etc) which occur in the second half of the first year of a baby's life.

Parents who can demonstrate workforce attachment (including working and/or looking for work) over the previous 12 months should be eligible for the scheme.

Parents who are not in the paid workforce and are in receipt of income-support payments (such as NewStart) at the time of the birth of their child⁵ should be eligible for parenting payments.

We would suggest that the Government's welfare and tax review should include close consideration of a range of supports for non-working low-income parents.⁶ This includes not only income support but also the support services available for parents and young children. Support services should be sufficient, affordable and accessible to ensure that all children can have the best start to life. The health and well-being issues for children of working parents equally apply to non-working parents, particularly those living on low incomes and in disadvantaged communities.

We would support rolling the current funding from the Baby Bonus into the government contributions towards a paid maternity, paternity and parental leave scheme. We believe that a maternity, paternity and parental leave payment that is paid, like wages, on a fortnightly basis, sends a clear message to parents and the wider community of the importance and value of parenting. From a policy perspective, it is arguable that the Baby Bonus rewards only the act of birth and not the ongoing activity of parenting. In rolling the Baby Bonus into a paid maternity, paternity and parental leave scheme, it is essential that this level of payment is continued at current levels as part of any parenting payments made to low-income non-working parents.

A government-administered scheme would be critical for employers in the non-government sector as many organisations would struggle to fully fund paid parental leave. They would also be disadvantaged by the fact the non-government sector is a female-dominated workforce.

Conclusion

A government-funded, universally accessible paid parental leave scheme providing a minimum of six-months paid leave is an important strategy to support the health and well-being of children in their most vulnerable time of life. This scheme should be nested with (rather than replacing) existing parental leave provisions of 12-months unpaid leave, with the possibility of extension to two years and/or the right to request to return to work part-time.

⁵ These barriers may include low levels of education, low skills levels or lack of employment opportunities in their local area.

⁶ We note that the broad focus of this inquiry was "to improve support for parents with newborn children" This by definition refers to parents who may not be in the workforce at the time of the birth of their baby such as parents who may have been studying, looking for work or may have had health issues or disabilities that prevent them from participating in the labour market.