



## **Submission from the Public Health Association of Australia to the Productivity Commission Inquiry into Paid Maternity, Paternity and Parental Leave**

### **Introduction/Background**

The Public Health Association of Australia Inc (PHAA) is a national organisation comprising individual members and representing over 40 professional groups concerned to promote health at a population level. This includes, but goes beyond the treatment of individuals to encompass health promotion, prevention of disease and disability, recovery and rehabilitation, and disability support. This framework, together with attention to the social, economic and environmental determinants of health, provides particular relevance to, and expertly informs the PHAA's submission to the Productivity Commission's Inquiry into Paid Maternity, Paternity and Parental Leave (the Inquiry).

The PHAA provided a summary document (Attachment A) to the Productivity Commission, outlining its policy on paid maternity, paternity and parental leave, prior to attending the public hearing in Canberra on Wednesday 7 May 2008.

This submission provides supplementary information with regard to the PHAA's policy position, the evidence base underpinning the policy and recommendations arising.

### **Key Principles**

The PHAA advocates eight key principles in relation to the provision of paid maternity, paternity and parental leave in Australia:

#### **1. International Labour Organisation (ILO) maternity protection convention 183 provides a basis for a national paid maternity leave scheme.**

The PHAA notes that the two binding international agreements in relation to paid parental leave are the United Nations *Convention on the Elimination of all Forms of Discrimination Against Women* (1979) and ILO Convention 183, *Maternity Protection* (2000) and Recommendation 191, *Maternity Protection* (2000).

The PHAA also notes that Australia is not formally bound by these agreements because:

- Australia's ratification of the UN Convention included a reservation against Article 11.2 dealing with paid maternity leave; and

- Australia was not among the 13 countries that ratified ILO Convention 183.

However, by 2002, Australia and all the states of the United States other than California, were the only jurisdictions in the OECD without some form of statutory paid parental leave. Most paid maternity leave is between 14 and 48 weeks (Productivity Commission Issues Paper, pg 27).

The PHAA advocates a minimum period of paid maternity leave of 14 weeks, to bring Australia into line with established standards in the global context.

**2. For health reasons, paid maternity leave should include a minimum of 14 weeks.**

In recommending a minimum of 14 weeks paid maternity leave, the PHAA has sought to balance the evidence in relation to family health and wellbeing outcomes with the need to provide a solution that also represents a viable fiscal option for government.

The World Health Organisation and the International Labour Organisation have recommended an absence from work of around 4 months, and recommendations for between 3 and 4 months as a minimum are supported by the vast majority of evidence. A recent study of OECD countries found that infant mortality rates were significantly lower in countries with longer periods of paid maternity leave (Tanaka, 2005).

Evidence from the United States has indicated adverse impacts on child health and development from returning to work (particularly full time work) within 3 months (Berger et al. 2005). Canadian research also indicates temporary adverse impacts (Ram et al. 2004).

However, the PHAA acknowledges that some evidence suggests minimal or no adverse effects of maternal employment after 3 months, finding few problematic impacts from maternal employment within the first 18 months of birth (Gregg et al. 2005).

The PHAA therefore advocates a minimum period of paid maternity leave of 14 weeks to protect the health and wellbeing of mother and baby.

- 3. Payment should be a cash benefit, equivalent to income replacement for women on low incomes, capped at average weekly earnings; and**
- 4. Funds should be derived from consolidated government revenue.**

*“The type of parental leave available affects the tradeoff between work and leave. While unpaid parental leave gives parents the right to continued employment, it does not contribute directly to family incomes. As such, if a family extends its unpaid leave, its income unambiguously decreases. The introduction of paid parental leave would alter this tradeoff and may increase the incidence of parents taking parental leave at the margin.”*

Productivity Commission Issues Paper, pg 12

The PHAA agrees with the above proposition in the Commission's Issues Paper. It is vital that paid maternity leave is provided as a cash benefit that is equivalent to income replacement for women on low incomes, capped at average weekly earnings. This would enable women who are the breadwinners for their families to make genuine choices in relation to maternity leave, at least in the vital 3 month period after birth.

*"Currently, paid parental leave appears to be less available in workplaces with lower skilled, lower paid, and casual employment. Depending on how a paid parental leave scheme is funded and its other design features, employers in such workplaces may discriminate against applicants who are likely to become parents — with adverse impacts on their employment. Moreover, if a paid parental leave scheme were to be funded through employer contributions or from taxes on labour (for example, payroll tax), some wages may fall. This would disadvantage those who receive no offsetting benefits from parental payments."*

Productivity Commission Issues Paper, pg 12

In order to ensure that the introduction of a paid maternity, paternity and parental leave scheme in Australia does not result in systemic disadvantages for low income Australians, the PHAA advocates that funds should be derived from consolidated government revenue.

The PHAA is advocating for a minimum 14 weeks paid maternity leave, while a number of other key groups are advocating for the longer period of 6 months. In developing its position, the PHAA has sought to balance the health needs of families with a realistically achievable fiscal outcome for government. Given the shorter minimum period being advocated by the PHAA (and the payment cap at average weekly earnings) we believe that full government funding is a realistic option.

## **5. Paid maternity leave should include the right to breast-feed or express milk on return to paid work.**

Given the importance of breastfeeding to infant health outcomes, the PHAA believes that providing a supportive physical environment and workplace culture for breastfeeding mothers is vital.

Return to work is currently an important reason for stopping (or not starting) breastfeeding and becomes the most important factor just 6 weeks after birth (Baker and Milligan 2007). However, the World Health Organisation recommends that breastfeeding should be the exclusive form of feeding up to 6 months after birth.

Baker and Milligan found significant increases in breastfeeding rates associated with paid maternity arrangements in Canada.

The PHAA believes that the provision of adequate support for breastfeeding mothers in the workplace would facilitate transition to work and advocates the development of

workplace policies and procedures designed to facilitate breastfeeding (or the expressing of milk) within a supportive workplace environment.

6. **Paid maternity leave should include an option for the principal carer to access paid leave, and an option for paternal leave to allow the father/same sex partner to spend time with the baby.**

*"It has been shown that fathers often increase their hours of work after the birth of a child — partly offsetting the income losses associated with fewer hours worked by mothers. The availability of paid leave may change this behaviour, with consequences for income."*

Productivity Commission Issues Paper, pg 13

The role of fathers in childcare and development is also important, both for infant and paternal welfare. The PHAA also acknowledges the important role that fathers/same sex partners play in supporting the mother in caring for the infant in the period post-release from hospital.

For these reasons, the PHAA advocates that any paid maternity, paternity and parental leave scheme introduced in Australia should include the provision for fathers/same sex partners to access a period of paid leave of at least 2 weeks at the birth of the child, with the option to take an additional 2 weeks of unpaid leave.

7. **The Australian federal government to implement the recommendations arising from 'Support Valuing Parenthood: Options for paid maternity leave interim paper 2002' proposed by the Australian Sex Discrimination Commissioner; and**
8. **That a review period of 12-24 months examines the effectiveness of the paid maternity, paternity and parental leave scheme implementation.**

The PHAA acknowledges the work undertaken by the Human Rights and Equal Opportunity Commission (HREOC) over a number of years in developing policy options for paid maternity, paternity and parental leave in Australia.

The *women, men, work and family* project was launched by former Sex Discrimination Commissioner Pru Goward in 2005. It built on the HREOC's previous work on paid maternity leave and examined the relationship between family responsibilities and paid work.

HREOC released a discussion paper, *Striking the Balance: Women, men, work and family* in June 2005. *It's About Time: Women, men, work and family*, released in March 2007, is the final paper of the project.

In particular, the PHAA's policy is in line with 2 key recommendations of the 2007 *Its About Time* report:

*Recommendation 13:*

That the Australian Government as a matter of priority introduce a national, government funded scheme of paid maternity leave of 14 weeks at the level of the federal minimum wage, as recommended by HREOC in *A Time to Value: Proposal for a National Paid Maternity Leave Scheme (2002)*; and

*Recommendation 14:*

Following the introduction of a 14 week paid maternity leave scheme, the Australian Government should consider phasing in a more comprehensive scheme of paid parental leave consisting of:

- a) At a minimum, two weeks of paid paternity leave to be taken at the birth of the child; and
- b) A further 38 weeks of paid parental leave that is available to either parent.

The PHAA acknowledges that with any new policy, the establishment of effective monitoring and evaluation mechanisms is vital to ensuring the uptake of learnings in implementation. The PHAA therefore advocates that a review period of 12-24 months examines the effectiveness of the paid maternity, paternity and parental leave scheme implementation, providing quarterly reports to facilitate fine-tuning of both the new policy and related procedures.

## Summary of Key Points

1. International Labour Organisation (ILO) maternity protection convention 183 provides a basis for a national paid maternity leave scheme;
2. For health reasons, paid maternity leave should include a minimum of 14 weeks;
3. Payment should be a cash benefit, equivalent to income replacement for women on low incomes, capped at average weekly earnings;
4. Funds should be derived from consolidated government revenue;
5. Paid maternity leave should include the right to breast-feed or express milk on return to paid work;
6. Paid maternity leave should include an option for the principal carer to access paid leave, and an option for paternal leave to allow the father/same sex partner to spend time with the baby;
7. The Australian federal government to implement the recommendations arising from 'Support Valuing Parenthood: Options for paid maternity leave interim paper 2002' proposed by the Australian Sex Discrimination Commissioner; and
8. That a review period of 12-24 months examines the effectiveness of the paid maternity, paternity and parental leave scheme implementation.

Should the Commission wish any further information from the Public Health Association of Australia, we would be delighted to assist.



**Michael Moore** BA, Dip Ed, MPH

**Chief Executive Officer**

**Public Health Association of Australia**

Ph 02 6285 2373 Fax 02 6282 5438 Mob 0417 249 731

[www.phaa.net.au](http://www.phaa.net.au) [mmoore@phaa.net.au](mailto:mmoore@phaa.net.au)

## Bibliography

- ABS, 2005, *Pregnancy and Employment Transitions, Australia*, cat. no. 4913.0.
- 2006a, *Employee Earnings, Benefits and Trade Union Membership, Australia*, Aug 6310.0 -
- 2006b, *Persons not in the Labour Force*, cat. no. 6220.0
- 2007, *Maternity Leave Arrangements, Australian Social Trends*, cat. no. 4102.0
- American Academy of Pediatrics, 2005, 'Breastfeeding and the use of human milk', *Pediatrics*, Vol. 115 No. 2, February, pp. 49–506.
- Arenz, S. and von Kries, R. 2005, 'Protective effect of breast-feeding against obesity in childhood: Can a meta-analysis of observational studies help to validate the hypothesis?', *Advances in Experimental Medicine and Biology*, vol. 569, pp. 40–48.
- Berger, L., Hill, J. and Waldfogel, J. 2005, 'Maternity leave, early maternal employment and child health and development in the US', *Economic Journal*, vol. 115, no. 501, pp. F29–F47.
- Burgess, S., Gregg, P., Propper, C., Washbrook, E. and the ALSPAC Study Team 2002, Maternity Rights and Mothers' Return to Work, CMPO Working Paper Series, no. 02/055.
- Der, G. Batty, G. and Deary, I. 2006 'Effect of breast feeding on intelligence in children: prospective study, sibling pairs analysis, and meta-analysis', *British Medical Journal*, 4 October.
- Evenhouse, E. and Reilly, S. 2005, Improved Estimates of the Benefits of Breastfeeding Using Sibling Comparisons to Reduce Selection Bias, Population Association of America, Meeting program.
- Gregg, P. Washbrook, E., Propper, C. and Burgess, S. 2005, 'The effects of a mother's return to work decision on child development in the UK', *Economic Journal*, vol. 115(501), pp. F48–F80.
- HREOC (Human Rights and Equal Opportunity Commission) 2002, A Time to Value: Proposal for a National Paid Maternity Leave Scheme.
- HREOC (Human Rights and Equal Opportunity Commission) 2008, Its About Time: Women, Men, work and family, Final Paper.
- Kramer, M. et al 2001, 'Promotion of breastfeeding intervention trial (PROBIT): a randomised trial in the Republic of Belarus', *Journal of American Medical Association*, vol 285(4), pp. 413–420.
- Kingsford Legal Centre, University of New South Wales, May 2008, Submission into the Inquiry into Paid Maternity, Paternity and Parental Leave.
- Lattimore, R. 2007, *Men Not at Work: An Analysis of Men Outside the Labour Force*, Productivity Commission Staff Working Paper, Canberra, January.
- Oddy W., Kendall, G., Silburn, S., Zubrick S., De Klerk N., Li J., Robinson M., and Stanley, F. 2007, 'Breastfeeding And Child Mental Health: A Pregnancy Cohort Study To 10 Years', Abstracts of Presentations at the 13th International Conference of the International Society for Research in Human Milk and Lactation, Journal of Human Lactation, vol. 23.
- PC (Productivity Commission) 2005, *Economic Implications of an Ageing Australia*, Research Report, Canberra
- PC (Productivity Commission) 2008, *Inquiry into Paid Maternity, Paternity and Parental Leave*, Issues Paper, Canberra
- PC (Productivity Commission) May 2008, transcript of public hearing: *Inquiry into Paid Maternity, Paternity and Parental Leave*, Canberra [www.pc.gov.au](http://www.pc.gov.au)
- PHAA (Public Health Association of Australia) 2005, Policy Statement: Maternity Leave, Equity and Women's and Children's Health.
- Ram, B., Abada, T. and Hou, F. 2004, The effects of early maternal employment on children's cognitive outcomes: the Canadian experience, presented at the annual meeting of the Population Association of America, Boston, USA, April 1–3.
- Ruhm, C. 2000 'Parental Leave and Child Health', *Journal of Health Economics*, vol. 19 no. 6, pp. 931–960
- Swan, W., Gillard, J., and Macklin, J. 2008, Productivity Commission to investigate paid maternity leave, Media release no. 010, 17th February.
- Tanaka, S. 2005, 'Parental Leave and Child Health Across OECD Countries', *Economic Journal*, vol. 115 no. 501, pp. F7–F28

Whiteford, P. 2005, The welfare expenditure debate: “economic myths of the left and the right” revisited, presented at the Australian Social Policy Conference, University of New South Wales, Sydney, 21 July

Whitehouse, G., Baird, and M., Diamond, C. 2006a, Highlights from The Parental Leave in Australia Survey, <http://www.polsis.uq.edu.au/polsis/parental-leave>

Whitehouse, G., Baird, M., Diamond, C. and Hosking, A. 2006b, The Parental Leave in Australia Survey: November 2006 Report <http://www.uq.edu.au/polsis/parental-leave/level1-report.pdf>.

Winegarden, C. R. and Bracy, M. P. (1995). ‘Demographic consequences of maternal-leave programs in industrial countries: evidence from fixed-effects models’, *Southern Economic Journal*, vol. 61, No. 4, 1020–35.



**PUBLIC HEALTH ASSOCIATION**  
of Australia Inc

2 May 2008

**PUBLIC HEALTH ASSOCIATION: SUMMARY OF KEY POINTS  
PRODUCTIVITY COMMISSION HEARING FOR THE INQUIRY INTO PAID MATERNITY,  
PATERNITY AND PARENTAL LEAVE**

The Public Health Association of Australia (PHA) welcomes the opportunity to provide input to the inquiry and thanks Commissioners for the opportunity to appear at the Canberra hearing on Wednesday 7 May 2008

PHA would like to acknowledge the issues paper prepared by the Commission and reinforce the following key points made in the section on family health and wellbeing:

- The World Health Organisation (WHO) and the International Labour Organisation (ILO) have recommended an absence from work of around 4 months (pg 9);
- A recent study on the effects of the availability of maternity leave on infant mortality across 18 OECD countries found that in countries with longer periods of paid maternity leave, infant mortality rates were significantly lower (pg 9);
- Return to work is an important reason for stopping (or not commencing) breastfeeding and becomes the most important factor six weeks after birth. Yet the WHO recommends that breastfeeding should be the exclusive form of feeding up to six months after birth (pg 10); and
- Research in the United States suggests adverse impacts on child health and development from returning to (especially full-time) work within three months (pg 11).

**PHA advocates the following basic principles in relation to paid maternity, paternity and parental leave:**

- ILO maternity protection convention 183 provides a basis for a national paid maternity leave (PML) scheme;
- PML should include a minimum of 14 weeks;
- Payment should be a cash benefit, equivalent to income replacement for women on low incomes, capped at average weekly earnings;
- Funds should be derived from consolidated government revenue;
- PML should include the right to breast-feed or express milk on return to paid work;
- PML should include an option for the principal carer to access paid leave, and an option for paternal leave to allow the father/same sex partner to spend time with baby;
- The Australian federal government to implement the recommendations arising from 'Support Valuing Parenthood: Options for paid maternity leave interim paper 2002' proposed by the Australian Sex Discrimination Commissioner; and
- That a review period of 12-24 months examines the effectiveness of the PML implementation.

***PHA attendees at the public hearing in Canberra on Wednesday 7 May 2008 will be:  
Michael Moore, Chief Executive Officer; and  
Melanie Walker, Policy Officer.***