



Women's Action Alliance (Australia) Inc

Submission to: The Productivity Commission

Re: Inquiry into Paid Maternity, Paternity and Parental leave

Date: June 2008

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Women's Action Alliance is a national women's group, established in 1975, which has active representation in each State and Territory of Australia.

Our aims are twofold

1. To raise the status of women in the Australian community
2. To strengthen Australian families as the basis of our society

To further these aims we encourage women to be well informed, to analyse issues, and to participate in areas where opinions are formed, and where decisions are made.

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“All mothers deserve equal financial support in the provision of care to their children,” said Mrs Maureen McCarthy, National President of Women’s Action Alliance in marking Mothers’ Day 2008 *“Maternity support payments need to be structured so that women do not have to return to paid work before they wish and so that no mothers are excluded. WAA calls for a scheme that supports all mothers and their children equally.”*

This statement sums up our approach to the subject of the inquiry.

We believe that current Baby Bonus should be retained and be renamed the Maternity Leave Payment. It should be increased to equate to 14 weeks of the minimum wage and be paid as a fortnightly payment over a determined period. e.g. 6 months.

Alongside this we believe that the current period of one year’s unpaid maternity leave should be immediately increased to two years - with an intention of a further increase to three years in the future.

However we have also put forward a suggestion for the consideration of the Commissioners that if the Baby Bonus and Family Tax Benefit Part B were combined during the first 12 months after a birth this could provide a payment of \$318 a fortnight. While this is only 1/3 of the minimum wage and in no way reflects the value of the work of a mother it does maintain the benefits she already receives **at no further cost to the Treasury.**

Parents need to be supported in their choice of whether to stay at home and care for their children full time or return to the work force. Most mothers, in fact 2/3, choose to stay at home at least for the first 12 months after the birth of their of their baby

Where the government uses taxpayer funds to assist women at the time of birth then all women should benefit, but especially lower income women and those not in the paid workforce. If any were to be excluded it should be on the basis of a means test alone and certainly not because of their

employment status before, or at the time of, the birth or because of their choices about paid workforce participation after the birth. If any means test is applied, as it is now currently to the baby bonus, it should be equitable and be applied to paid maternity leave and childcare. Families where one parent remains at home to care for children should not be the only family type singled out for means testing.

Multiple Births

We suggest that special consideration be given to women with multiple births. Multiple births place extra burdens on families and they would greatly benefit from being allowed extra leave. This has been highlighted to us by one of our members who noted the following experience. *‘A mother was required to put her one year old twins into childcare (she also has a six year old), and went back to work 3 and a half days a week. She told us that if she didn't go back to work she would lose her job. A day's work at her firm is 10 hours, so she aims to be in to work at 6.30 am, so she can leave at a reasonable time. Her husband takes the twins to childcare and their son to school. Needless to say they are incredibly stretched. Sometimes she has left work early and some well meaning boss has suggested that she can make the time up at home. She pointed out to us that of course they don't realise that she doesn't have half an hour when she gets home.’*

Caring for multiple birth children is recognized as both a greater joy and burden.

WAA recommends that mothers of multiple birth children be given twice the maternity leave entitlements in recognition of the demands placed on the family.

Australia's commitments under CEDAW

When Australia became a signatory to the United Nations Convention on the Elimination of all Forms of Discrimination Against Women it expressed a reservation on two matters 1. paid maternity leave and 2. women's participation in armed conflict.

As the Rudd Government is planning to become a signatory to the Optional Protocol to the Convention it would be timely for it to reconsider the reservations Australia holds.

WAA believes that the current Baby Bonus would allow the Government to do this. Article 11.2 (b) of the Convention states that signatory states need to “introduce maternity leave with pay or with comparable social benefits.....”

Should the level of the payment be raised to equate 14 weeks of the minimum wage and be made in fortnightly payments the degree of comparability would become even more obvious.

Our further comments in this submission will focus on Terms of Reference Nos. 1 & 2 b) and particularly relate to 2 b), points (iii) (iv) and (v).

Term of Reference 1

We wish to comment only on the **social** benefits and costs.

Maternity leave and maternity payments are related issues which should not be confused with each other as they are intended to serve two different issues which arise for a mother on the birth of a child.

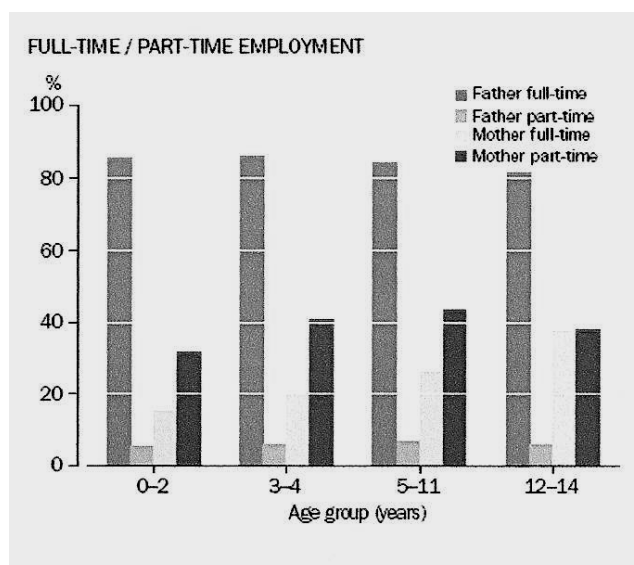
The first is whether or not to return to paid work at some stage, and how to secure her employment if she chooses to return. Maternity leave is designed to assist women with this decision.

The second involves the cost involved in having a child. This is where maternity payments are designed to assist.

Women in Australia are now almost universally entitled to 12 months unpaid leave on the birth of a child. Twelve months, however, is often not sufficient. Many women, who would like to spend more time at home with their babies, feel forced to return to their paid employment, for fear of not having a job to come back to. While recognising that an extension of maternity leave would present some difficulties, especially for small employers, Women's Action Alliance (WAA) believes that it is time to increase the period of unpaid leave available to three years.

Another difficulty faced by mothers on maternity leave is that women are usually required to return to their previous position. If they had been working full-time, then they are required to return to a full-time position. For many women this is impractical.

Most women prefer to work part-time when they first return to paid work. WAA supports such an option being available to women returning from maternity leave. (see graph 1)



(Graph 1) ABS 41020: Australian Social Trends 2006 page 39

For some time now, in Australia, women employed in some areas of the public sector and by some large corporate employers have received Maternity Leave benefits superior to those in the private sector. Some women received a portion of paid leave and an extended period of unpaid leave, while those in other paid positions and women at home received nothing. There has consequently been pressure for paid maternity leave to be made a universal condition of employment in Australia.

Women's Action Alliance is opposed to such a move, where maternity payments are conditional upon participation in paid employment by the mother.

We believe that the arrival of a new baby should be supported by the community, regardless of a woman's employment status. The International Labour Organisation Convention 103 holds that employed women should be entitled to twelve months' Maternity Leave, including a compulsory period of leave before and after the confinement. If we follow the ILO Convention, *"the argument is that children are a national asset and the State should contribute at this time of increased cost and workforce disruption."*

Therefore, in order to achieve justice and social inclusion for all mothers, those in the paid and unpaid workforces, should be assisted financially in recognition of:

- The contribution they have made to the country by giving birth to a new citizen.
- The extra costs thereby incurred.

We therefore support a flat rate inclusive maternity payment payable directly to all women on the birth of their child irrespective of whether they are in paid work prior to the birth, or whether they intend to return to paid work.

Such a payment, similar to the current Baby Bonus, provides fair and equitable support for all new mothers, whatever choices they may make about their paid and unpaid work participation.

Any model of paid maternity leave that is linked to the expectation that the mother will return to her paid job within a proscribed period of time will inevitably put pressure on some mothers to return earlier than they would have otherwise chosen. **This is a social cost (as opposed to a benefit) – to both mother and infant.**

It is our experience that women with one child often seek to return to paid work while those with two or more children mainly look for the opportunity to be at home with their children for an extended period.

The Growing up in Australia: Longitudinal Study of Australian Children in its 2005-06 Annual report on Parental leave in Australia showed that 27% of mothers, in the study, were not in the paid workforce on the birth of a child and were listed as ‘at home looking after the family’. This group of women being nearly one third of those having children should not be excluded in the maternity payment debate on the basis they are doing ‘unpaid’ work.

We are concerned that in the public debate about paid maternity leave the focus on participation in paid work, increased productivity and women’s rights is pushing to the margins children’s needs and women’s choice to remain at home.

A number of recent studies have shown that a return to work, and particularly full time work, when a child is young can have a negative impact on the well being of the mother, father and children.¹ Most women if they do return to work will work part time hours and other family members will care for the child/children when they are very young.

From “An Unexpected Tragedy “a report from the Relationships Forum”²

Most Australian families are suffering time pressure resulting from their work. 63% of parents who work more than 45 hours a week miss out on some of the rewarding aspects of being a parent because of work commitments (Exhibit 10). Nearly half report that work leaves them with little energy to be the parent they would like to be.

Couples with young children (0-4 years) perceive a higher degree of time pressure than those without children. And women, in particular, perceive greater pressure than men. 51% of fathers with young children report time pressure often or always, while 62% of mothers with young children report time pressure often or always. 66% of all fathers and 40% of mothers consider that work responsibilities cause them to miss out on family activities in which they would otherwise have taken part.

¹ Department of Families, Community Services and Indigenous Affairs. Social Policy Paper 30, Mothers and fathers with young children: paid employment, childcare and well being, Baxter, Gray and Assoc.

² “An Unexpected Tragedy.” Evidence for the connection between working hours and family breakdown in Australia. http://www.relationshipsforum.org.au/report/index.html#unexpected_tragedy

Term of Reference 2 b) (v)

Well founded research has determined that secure attachment to one caregiver is essential to good infant mental health. The primary carer is usually the mother and in most cases she continues in that role during the early years. Mothers need to spend time with their children, to reassure and encourage them as they discover who they are and the world around them. As a society we invest in our future when we allow mothers plenty of time with their children to teach them through play.

Relatively new evidence presented by Professor Margaret Sims in her paper at the 2005 Australian Institute of Family Studies Conference³ also gives cause for concern about the long term mental health of children. It reveals that children attending out of home care at least 3 days per week suffer a rise in cortisol over the day. Cortisol is a chemical response to stress. Stress in infancy is considered damaging as high cortisol levels impact on the development of a range of neurotransmitters whose pathways in the brain are still being built. The outcome of this is long term difficulties with self and emotional regulation. This is thought to explain the higher level of non compliant and aggressive behaviours found in children who have attended extensive child care from an early age. This effect is at its greatest at about 2 years of age and decreases over the pre school years.

Childcare cannot replace the crucial relationship of a primary caregiver. A series of caregivers, no matter how qualified or skilled, cannot provide this secure fundamental relationship. The approved ratio of one carer to five children under three years of age highlights the inadequacy of such care. Young children in extended childcare often do not have an opportunity receive the benefits of a secure attachment. This is a social cost to our community.

It have been documented that mothers of young children (0-4 years) already work 83 hours 51 minutes on child care a week.⁴ There appears little time left for paid employment on top of their already demanding and rewarding role as parent. If they do take on paid employment on top of this, as many do, it is understandable that there are often extra stresses experienced within the family.

Impact on Breastfeeding - a children's health issue

We also are concerned about the decreasing rates of breastfeeding particularly the large decrease in the number of women breastfeeding for the recommended period of 6 months. New evidence from Canada that breastfeeding increases children's intelligence also supports our position⁵ that mothers be given time with their babies. This new data supports a huge body of scientific evidence of the value of breastfeeding to both baby and mother in terms of both physical and mental health. The reason for the decline in breastfeeding for Australian mothers may well relate to other factors like early discharge and lack of support in the period following childbirth however pressure to return to work early does impact a mother's resolve and ability to continue breastfeeding.

Term of Reference 2a)

³ "Children's Wellbeing in Childcare" Associate Professor Margaret Sims, Dr Andrew Guilfoyle & Professor Trevor Perry. Paper presented at the 9th Australian Institute of Family Studies Conference Melbourne, 9-11 Feb 2005

⁴ ABS Cat No: 4153.0 How Australians use their time 2006

⁵ McGill University Montreal, Faculty of Medicine. Team led by Professor Michael Kramer, Scientific Director, Canadian Institutes of Health Research (CIHR) See http://www.mcgill.ca/newsroom/news/item/?item_id=100295

In identifying models that could be used in the Australian context we wish to comment on the two models that have been formalised and made public at government and parliamentary levels to date.

They are:

1. That put forward in March 2007 by the former Sex Discrimination Commissioner, Ms Pru Goward, in the Human Rights and Equal Opportunity Commission report titled “It's About Time: Women, men, work and family,”
2. That presented to the Senate by Senator Natasha Stott Despoja in a Private Members Bill – “Workplace Relations (Guaranteeing Paid Maternity Leave) Bill Amendment Bill 2007 “

Each of these models would exclude a significant number of non-earning or low income women. Amongst them are women who are;

- unemployed
- recently employed
- employed doing small amounts of casual work
- those who resign during the pregnancy
- those who have not returned to paid employment following the birth of an earlier baby.

And in the case of the Private Members Bill those who are

- self employed
- employed on a contract

This is a major impediment that renders each of these models unsuitable for use in the Australian context on justice and social inclusion. As stated previously these models exclude at least 1/3 of women giving birth.⁶

We recognise a cultural change that anticipates and depends on greater sharing by men and women of both breadwinning and caring roles. We welcome and embrace this. However we believe that many (not all) women would still elect to undertake the major part of the caring role when their children are very young if:

- they felt well supported by the father of their child/children.
- their financial situation did not exert undue pressure on them to have only very brief periods away from paid employment.
- they were confident that their professional work roles would not be seriously compromised by periods spent out of the paid workforce undertaking caring roles.

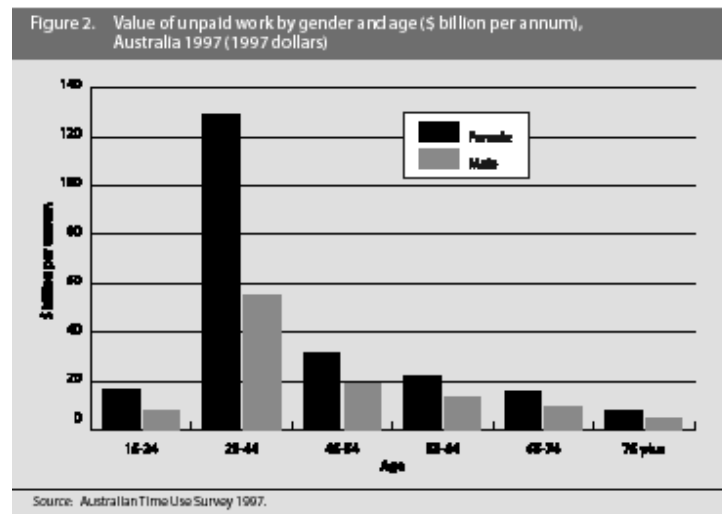
We acknowledge the pressing need to have as many people as possible in the paid workforce in coming years. However we wish to draw attention to the amount of unpaid work that prime aged women (aged 25-45 years) contribute to our society and its economy and the degree to which it occupies them during this phase of life

The Australian Institute of Family Studies Research Paper No. 34 “Measuring the value of unpaid household, caring and voluntary work of older Australians” by David de Vaus, Matthew Gray and David Stanton⁷ contains the following chart. It shows clearly that women in their prime years (25-44 years) do by far the most unpaid work. That unpaid work is mainly mothering of young children.

⁶ Growing up in Australia: Longitudinal Study of Australian Children, 2005-06 Annual Report/Parental leave in Australia. Published by the Australian Institute of Family Studies. ISBN 0 642 39544 6

⁷ Australian Institute of Family Studies, October 2003, 24p. ISBN 0 642 395007 1 . ISSN 1446-9863 (Print); ISSN 1446-9871 (Online) <http://www.aifs.gov.au/institute/pubs/respaper/rp34.html>

It is worth noting that men also do more unpaid work in that phase of their lives than at any other time, as they father children alongside their wives. (see graph 2)



(Graph 2)

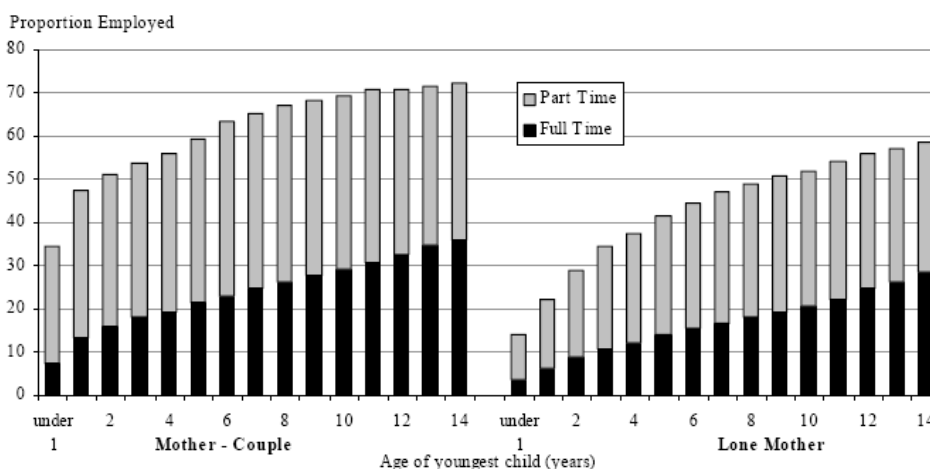
Do women need incentives to be in paid work?

There is more than enough incentive (pressure) for families to have two incomes applied via housing costs, HECS debts and ordinary living costs (viz. escalating food and petrol costs) without the government actively seeking other measures. However there are other approaches that could be considered.

Other approaches to increasing women's paid work participation

Rather than adopt policies which exert pressure on mothers to separate from their infants before they feel ready, the Government, in seeking to have more women to paid work, should examine and address the causes of family breakdown because married mothers participate in paid work at a much higher rate than sole parent mothers with children of any age. (see graph 3)

Source: Department of Family and Community Services 11. Return to work by couple and lone mothers by age of youngest child (2001) (Graph 3)



In March 2003, the labour force participation rate of parents with children under 15 years in couple families (79%) was higher than lone parent families (56%). Conversely, the unemployment rate of parents in families with children under 15 years, is higher in lone parent families (17%) than in couple families (4%)

Being in a stable marriage makes it easier for parents who so wish to return to the paid workforce and is thus a key factor in achieving greater paid workforce participation by mothers.

WAA also recommends that the following matters be given urgent consideration through the industrial processes and awards

- the extension of the statutory period of unpaid maternity leave from one year to three years
- A shorter working week for women working full time – a 35 hour week, combined with a 9 day fortnight. This day off each fortnight is essential to allow women to make appointments, have tradesmen attend the home in their presence attend to family matters, cleaning etc
- an entitlement to return to part time work after a period of parental leave
- reduced hours for a period of 12 months after return to work **with no loss of promotion level**
- an entitlement to consideration of family responsibilities when establishing rosters on return to paid work
- shorter working days - 9am-3pm - for parents with school aged children, both primary and secondary
- flexible working arrangements - with ready access to personal leave, long service, annual leave and unpaid leave.
- the capacity to purchase extra leave – to allow women with young children to be at home for most of the school holidays if they choose to take a reduction in annual income in exchange for extra annual leave.
- where this leave cannot be provided parents to be reimbursed by employers for child care costs over school holiday periods.
- the right to accrue long service leave, annual leave and sick leave entitlements during the statutory period of unpaid maternity leave.
- Increase in the maternity leave entitlement for women with multiple births.

Availability of Retraining

The availability of affordable retraining for those who have left their paid positions for a number of years is important in facilitating women's re-entry to the paid workforce. This is a matter that could be enacted with the co-operation of unions and professional associations.

Many young women seem to be under the misapprehension that if they leave their professional positions for more than brief periods of time they will never achieve a career. The experience of many older women indicates that this is not the case. However, for women to feel confident that their careers will not be seriously damaged by time spent caring for their families full time retraining programs must be readily available.

Why the focus on Mothers?

It is difficult to understand why the federal government has a focus on getting mothers of young children into paid employment while our youth underutilisation rate is at 23.5%.⁸

⁸ 6105.0 - Australian Labour Market Statistics, Apr 2008 Table 3. Measures of Underutilised Labour: Rates by Age

Mothers are contributing to the community through their parenting but some young people are not participating at all and are in great need of employment to become financially self sufficient, to gain skills, to build an economic base for future life plans and to develop self esteem.

The former Treasurer, Mr Costello, in addressing a conference conducted by the Melbourne Institute and The Australian newspaper on March 31st 2005, said that Australia ranked just 20th of the 30 OECD countries in the proportion of men aged 55-59 in the workforce. In reporting this in The Age⁹ the economics editor, Tim Colebatch, also noted that we rank 22nd in the proportion of men aged 25-54 in paid work. Among the 25 richest countries we rank 21st. One in seven men in their prime working age has no job.

Here then is another source of labour that should be utilized before we call mothers away from their babies.

The Productivity Commission Chairman Mr Gary Banks in his address to the 2008 Melbourne Institute Economic and Social Outlook Conference 'New agenda for prosperity' on the 27 March 2008 said, *"The fact is that Australia's overall participation rate is higher today than ever. This has been due to the increased participation of women; male participation has fallen significantly over time."*

This increase in women's participation has taken place without wide availability to paid maternity leave.

Effect of paid maternity leave on fertility rate

It is often suggested that providing universal government paid maternity leave would help women make the choice to be in paid work while their children are young and that this may help arrest our declining birth rate. In fact the Australian Capital Territory, where Commonwealth public servants have had twelve weeks maternity leave on full pay for the last thirty plus years, has had a birth rate below the national average for the last ten years (ABS 33118.0).

The "What Women (and Men) Want" report showed that 2/3 of respondents said that the availability of paid maternity leave did not factor in their decision to have children.

The study also reported that cross-national evidence also suggests that there is not a direct relationship as such between the provision of paid maternity leave and an increase in the fertility rate (Hantrais 1997; McGovern et al. 1992)

Conclusion

In concluding we call for a much greater focus on the needs of children when extending financial support to parents of newborns. We emphasise that the contribution of unpaid mothering work is at least as important as any made in the monetary economy.

We urge the Commissioners to ensure that all mothers are treated fairly in this matter and that the impact of paid work on the family, particularly the children, be a primary consideration in any paid maternity leave model.

While there is a range of things that can be done to make it easier for parents of young children to

⁹ "Big tax cuts or social inclusion. We can't afford to have both" Tim Colebatch, Economics Editor, Opinion, The Age, April 6th P.27

participate in paid work the greatest hurdle to be overcome is the love of parents for their children, their bonding (attachment) to them and their concern for their welfare. Prising mothers away from their infants in the early years seems a dubious policy indeed

Most ordinary Australians participate in paid work in order to make a living for themselves and their families. Financial needs force many mothers of young children return to paid work with great reluctance, due to their belief that the best care for their children is their own care. This raises the question as to whether we should first be considering "making it easier for parents who do **not** wish to return to the paid workforce until their children are ready to **avoid doing so**"

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Women's Action Alliance (Australia) Inc

Suite 6, 493 Riversdale Road, Camberwell Vic 3124

Email WAA@womensactionalliance.com.au

Contact: *National Secretary, Lisa Brick Tel 0402 480 224*