

About us

We forward this submission in response to the Public Inquiry into Paid Maternity, Paternity and Parental Leave. We are a traditional “nuclear family” with one child and another on the way. We live in a modest three bedroom house relatively close to the city and paying off an average sized mortgage. Both of us are tertiary qualified with universities degrees. I, as the “breadwinner” of the family, work full time in a “white-collar” job, while my wife works part time in hospitality. Our son attends the local child care centre. We moved interstate in pursuit of better career options a few years ago, which means immediate family support is not easily accessible by us (and their grandson not easily accessible by them). I enjoy above-average income, which I attribute to my post-graduate Masters qualification. This is hardly surprising as number studies have shown that one’s income can be directly related to his/her level of education.

“Choice” forced upon women

I was fortunate to pursue my post-graduate studies because I never had to face the choice between study/work and bearing a child. This is in stark contrast to thousands of women to whom the choice of abandoning study and work in order to start a family has already been pre-determined for them based on their gender and finances, or to put it correctly, their lack of finances. A pregnant woman not only has to stop working, thus deprived of her ability to earn an income, she also had to spend more on medical costs, a double whammy. While that strain may be lessened if she was in a relationship and supported financially by her partner, it does not negate the negative impact such arrangements have on their financial and sometimes personal relationships.

Present provisions not enough

My wife was fortunate enough to endure a “normal” pregnancy without major medical complications, and was able to work until the latter stages of the last trimester. However, it was not until after she gave birth that we felt the true impact of the lack of paid maternity leave. As stated above, she works in hospitality, an industry with high percentage of female employees and also one that supports women the least. She was not working in a local café or restaurant, she actually worked (and continues to work) for a multinational luxury hotel chain. All of which made the lack of support more difficult to comprehend. She was offered the mandatory 12 month leave without pay under the current Government provisions and nothing more. We put the Baby Bonus in an account under our son’s name, as a future tax payer for this country. I took one week unpaid paternity leave, but had to return to work the following week to support the family and pay off our mortgage. Again, we were fortunate that my income managed to cover all of our expenses, something that cannot be said for thousands of other households around the country. A friend of ours, a new mother of only 3 months, returned to full time work and had to put her daughter into full time care. Not because she could, but because she had to, in order to support her family financially through her income. Her Baby Bonus was used for essential purchases such as pram, nappies, baby capsule and clothes but to name a few.

Australia losing its international competitiveness

The International Labour Organisation's Maternity Leave Protection Convention, 2000 (No 183) requires a minimum of 14 weeks of paid maternity leave (<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C183>). Australia has not ratified this convention, in stark contrast to many third world countries such as Albania, Cuba and Republic of Moldova (<http://www.ilo.org/ilolex/cgi-lex/ratifice.pl?C183>). Australia and the US are the two notable exceptions among the OECD countries in the provision of paid maternity leave. In the era of globalised workforce, how can Australia remain internationally competitive if it does not provide for such basic rights for women in its workforce? How can we attract skilled migrants to this country and increase our human capital when more than 50% of our population are not afforded the basic rights that most other parts of the world take for granted?

Paid maternity leave ensures future health of the nation

We were asked one day by a friend of ours “why should I pay for your unborn child?” To which I answered “why should my child’s taxes pay for your healthcare and welfare costs in your old age?” The economic realities of choosing to start a family or earning an income to offset the increasingly large mortgages means that women are more likely to opt out of having babies altogether. This means that there will be fewer taxpayers to fund for the future health and welfare services.

Bonding is essential in an infant’s development

Numerous studies in human development and psychology confirmed what many parents already knew: bonding between a parent and an infant is essential. The World Health Organisation (WHO) recommends a minimum breastfeeding of 6 months for newborns to allow for effective infant development. So the maternal aspect of parental leave should be at a minimum of 14 weeks, but ideally 6 months. Fathers, too, need time to bond with their newborns. I only took one week off after the birth of our first born, through economic reality rather than choice.

Options for funding of paid leave schemes

We can see two potential options for paid parental leave schemes: through revenue or taxation, either targeted such as Medicare levy, or general such as education; or, through targeted schemes similar to the superannuation funds. Each has its advantages and disadvantages, the merits of which are best left to the economists. In our opinion, we’d like to see the scheme funded via the latter option. Therefore, the employers contribute a certain amount (say 3%), based on the employee’s pay and pre-tax, into a

dedicated parental leave fund. The employee will have the added option of contributing any additional amounts, to a certain amount, tax-free to the leave fund. Employees can then access the fund when they have a child (irrespective of gender). Any left over amount, or untouched funds, can be rolled-over to the employees' superannuation scheme at their retirement. This scheme can either be managed by the employees' existing superannuation schemes, or through other independent funds.

Conclusion

We make this submission as private citizens of this "lucky" country. We were compelled to write to the Inquiry due to the lack of private comments on this public issue. We are concerned that many families and individuals, whom are far too busy working and maintaining a roof over their heads, do not have the luxury of time to voice their views and opinions. We are fully cognisant of the fact that there are some sections of the community that strongly oppose our views above, which we hope is a minority. We are also not naive as to suggest that our submission will sway any final recommendations the Commission will make. We forward this submission as our civic duty and obligation to our fellow citizens and encourage the Commission to hear the voice of the true working families.