



Australian Government
Productivity Commission

Inquiry into Paid Maternity, Paternity and Parental Leave

Productivity
Commission

*Personal Feedback
Paper*

April 2008

For individuals and small firms

This personal feedback paper aims to help you engage with the Productivity Commission's inquiry into paid maternity, paternity and parental leave. It describes what the inquiry is about and identifies some issues for you to consider. A more comprehensive Issues Paper that sets out the process for formal submissions is available at www.pc.gov.au/inquiry/parentalsupport or you can contact us to obtain one. You are welcome to make a submission.

Community consultations will provide an opportunity for you to share your experiences and add to the Commission's understanding of the issues facing families with newborn children, and employers.

Commissioners: Robert Fitzgerald and Angela MacRae

Key dates

Initial public hearings	May 2008
Initial submissions due	2 June 2008
Release of draft report	September 2008
Public hearings for draft report	late November 2008
Final report	28 February 2009

Submissions can be made:

See our website for how to make a submission. Or you can contact Roberta Bausch on (02) 6240 3221 or email us at parentalsupport@pc.gov.au. We also have a freecall number (1800 020 083) or telephone typewriter TTY (1800 803 344).

What is the inquiry into parental leave about?

The Commonwealth Government has asked the Productivity Commission to inquire into the economic and social costs and benefits of paid maternity, paternity and parental leave ('paid parental leave'). The Commission is looking at the current arrangements and at models of paid parental leave that could be used in Australia.

We would like to hear from you about your experiences of leave associated with the birth or adoption of your child(ren), and what you think the benefits of new arrangements might be. We are particularly interested in the impacts of leave arrangements on your work decisions; the health and welfare of your baby; maternal health; and the wellbeing of all members of your family. We would also like to hear views from employers, especially people running small businesses, about the effects of different types of leave arrangements on their businesses.

Your views will help us prepare a draft report, which we will release for open discussion in **September** this year.

The current arrangements for parental leave

Currently, businesses must allow staff to take up to 12 months unpaid maternity leave, but there is no legal requirement for the provision of paid maternity or paternity leave. Currently around 44 per cent of employed women have access to some form of paid maternity leave, while around 35 per cent of employed men have access to paid paternity leave.

Were you eligible for paid maternity or paternity leave when your child was born? If so, what were the terms available (period and pay arrangements)?

Yes – 3 months paid maternity leave which I took as half pay for 6 months; my husband was given 5 days paternity leave

Did you take all of your paid parental leave entitlement? If not, why not? Yes

How much parental leave (paid or unpaid) did you take after the birth of your child? Did the period of paid parental leave available to you influence the amount of total leave taken? If so, in what way?

I took 12 months maternal leave – the initial 6 months at half pay and a further 6 months on no pay. The paid parental leave helped make that decision financially viable for my husband and I.

As significant a concern as income for me though was job security - I would have very much liked the option of taking 2 years parental leave (and not all of this

would have needed to be paid leave) with a right of return to my existing permanent position. Because that option was not available I felt pressured to return to my job earlier than I would have liked to, and earlier than I felt my daughter was ready for day care.

My husband took the maximum amount of leave available to him as a teacher in the public system, but would have also liked the option of extended parental leave – this would have allowed us a greater range of choices for care and to more equitably share care of our baby in the first 2 years of her life.

For our family, the ideal situation would be for us both to have the option of an extended (2-year) period of unpaid parental leave (and the fact that it be ‘parental’ and not just ‘maternal’ is central), with a significant (say, 6 month) period of paid leave within that.

How did you arrange your leave to have a baby if you were self-employed or were a contractor to a business?

N/A

Did you leave your job prior to your child being born? If so, did the leave provisions available influence your decision?

N/A

How did access to paid or unpaid parental leave affect your decision on when to return to work?

This has had a contradictory effect – on the one hand, my access to a period of maternity leave (paid and unpaid) meant I did not resign from my job at the birth of my daughter; however, the nature of this leave has created the sense of being forced back to work too soon (for her and for me) and is now making me seriously consider quitting a professional position I both enjoy and am well qualified for.

The benefits of parental leave on wellbeing

The World Health Organization estimates that a woman’s physical recovery from childbirth requires about four months leave. Establishing successful breast feeding, sleeping patterns and other routines takes time. It also takes time for family members to bond with the new baby. Greater durations of parental leave may reduce stresses for parents and enhance family relationships. But taking more time off may also contribute to financial and other pressures.

How important was your time off work with your new baby for you and your baby's health? What aspects of the baby's and your care were most affected by the time you were able to spend at home with your new baby?

As a new mother the year I had at home with my daughter has been absolutely crucial, physically and emotionally. I was able to breastfeed her to 1 year, establish good sleeping and daily routines, and generally make a happy and confident transition to new parenthood. The financial assistance of 3 months paid leave was absolutely fundamental to our financial stability at this time.

Neither my husband nor I can imagine making this huge, and hugely important transition, without the leave (paid and unpaid) my work gave. Just as strongly, we believe an improvement on the leave options for all parents would allow families to really make the choices they believe are best for them and their children – with the obvious far-reaching social benefits of this.

For women, did your partner take parental leave? If so, how long did they take? How important was this time at home for encouraging them to participate actively in the care of your new baby?

Yes. My husband was only entitled to 5 days paid leave which he took, plus an extra week of unpaid leave. Having him at home was incredibly important for his relationship with our baby, and for providing emotional and physical support to me (especially valued as both our families are interstate).

We both would have loved for him to have had the option of more time at home both in those overwhelming early weeks, and beyond.

If you returned to work, would you have liked to wait longer before returning to work? What do you think the benefits of a longer time at home would have been?

Yes!! As I have outlined above – for me, 12 months at home was the essential bare minimum (if my employer had demanded I return any sooner I wouldn't have even considered returning to work) but the option for another 12 months of unpaid leave would have been of huge benefit to my emotional wellbeing, and allowed the postponement of institutionalised day care until our daughter was older and more able to enjoy it. As I've mentioned – my leave arrangements mean I feel 'forced' into returning to work earlier than I would like. My husband and I have been disappointed that much of the talk around 'choice' with child care ignores the choice many parents want to make: that of being the primary carers for the babies and very young children.

The impacts of leave and return to work decisions on career prospects and family income

Paid parental leave can alter the time spent away from work, and can affect whether the parent (usually the mother) returns to the same employer and, if they return, whether in a full time or part time capacity. While longer leave has benefits for the parents and their baby, time away from work may erode work skills and reduce income.

Did concerns about the effect of your parental leave on your work prospects (maintaining your skills, promotion eligibility etc.) affect your decision about the length of leave you took? What were your primary concerns in your decision about returning to work?

My primary concern on returning to work was about balancing professional demands with my responsibilities (and joys!) as a mother – I have returned part-time as a result, which has in the short term limited my work prospects. Partly for that reason, it would be wonderful if my husband had the option for longer parental leave – if he had the option of staying at home in my daughter's 2nd year I would have been able to consider returning to work full time.

Would you have taken longer parental leave if your family could have afforded it? How much longer would you have liked?

Yes – 2 years parental leave (shared between my husband and I – ie. Perhaps 1 year full-time leave each, or perhaps 2 years shared part-time)

Did your access to social security payments (like family benefits part B) affect your decision about taking parental leave or returning to work? If so, in what way?

No. We receive family benefits A and B which definitely help, but did not determine the decision-making – which has been about primarily our daughter's well-being, and secondarily my ongoing career prospects and our financial needs.

Did you return to the same employer when you resumed work? How did the maternity leave you were offered affect your decision to return to the same employer? What other features of your employer influenced your decision?

Yes. The leave I was offered definitely kept me with my current employer – but its time limitations may cause me to leave.

There are other positive features of my employer – including a flexibility over work hours and an excellent on-site child care centre.

What do you think was the effect of your parental leave on your employer? Did they discuss the issues with you? Did this influence your decision on the length of leave taken, or the decision to leave employment?

I am part of a very large organisation – many other employees had taken maternity leave in the past and the structures were in place to cover my leave and also to enable me to negotiate part time work on my return.

What sort of paid parental scheme would help you most in balancing your work and family goals?

From our experience, the ideal situation would be for us to have the option of an extended (2-year minimum) period of combined parental leave, with a significant (say, 6 month) period of paid leave within that.

As the situation currently stands the choices available to us hinged over my return, or not, to the workplace – it was my career and earning potential that were to be sacrificed or not. My husband and I would have much preferred that these choices be open to us both as parents – so that we could choose which of us would work and which would stay at home.

In sum, for there to be real choice open to families in balancing work and family, then leave options must be available equally to fathers and mothers, so that each couple can decide on an arrangement which best works for them, rather than the current ‘mother-default’. It is also crucial that the choice of a mother or a father to remain at home with their child in his/her early years (and this is the one we feel is often overlooked in debate about childcare and parental leave) is supported by leave arrangements which secure a right of return after a substantial period of leave.

The effects on businesses

Both paid and unpaid parental leave can impose costs on businesses, as members of staff are absent for some time and temporary replacements can be difficult to find and expensive. For self-employed people, any leave is self-funded, and women in this group are the least likely to take maternity leave. In addition, were a new paid parental scheme to involve co-funding by employers, this would have financial implications for such businesses.

For employers, do you offer paid parental leave? If so, what are the arrangements?
N/A

What share of your workforce has taken parental leave? Do you think your firm’s leave arrangements have influenced this? If so, in what way?

What has been the effect on your firm of staff taking parental leave?

Have you been successful in getting employees to return after parental leave? How important is this for your firm's success? Have they typically returned on a full time or part time basis? Has the availability of part time employment been an issue in retaining such employees for your firm?

What would be the effects on your business of any co-funding arrangement associated with a new scheme, and why?

Characteristics of paid parental leave arrangements

Paid parental leave schemes can vary greatly. The main features are who is eligible (for example, by how long they have worked or the nature of their job); the length of paid leave available; whether conditions vary between mothers and fathers; and the generosity of the scheme (whether a fixed amount, or related to previous pay and at what rate). The schemes also vary in how they are financed. Options include financing by employers, social insurance contributions, targeted employment taxes and general government revenue.

What are your views on the best arrangements for a paid parental leave scheme? What are the reasons why you would support such arrangements?

Please see above - the ideal situation would be for my husband and I to have the combined option of an extended (2-year minimum) period of parental leave, with a significant (say, 6 month) period of paid leave within that.

To us the issues of pay, length of leave, and mother-father parity in a parental leave scheme are all equally important.