

**Queensland Government Submission  
Productivity Commission Inquiry into Paid Maternity, Paternity and  
Parental Leave**

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## 1 Executive Summary

Implementing universal access to Paid Parental Leave can be expected to have a positive impact on Australian workplaces and the Australian economy in general. The Queensland Government supports the development of a Paid Parental Leave scheme based on the following key objectives:

- a) employment equity,
- b) increased workforce participation of women,
- c) the long term economic security of women, and
- d) the health and wellbeing of newborn infants.

In considering the development of a national Paid Parental Leave scheme, the following key issues were examined and recommendations developed:

- a. Duration and generosity of benefit

**RECOMMENDATION:** *The Queensland Government recommends that Paid Maternity Leave be paid up to the rate of the Federal Minimum Wage for 14 weeks, consistent with International Labour Organisation recommendations.*

- b. Financing options

**RECOMMENDATION:** *The Queensland Government supports a Commonwealth Government funded Paid Maternity Leave scheme.*

- c. Eligibility

**RECOMMENDATION:** *The Queensland Government proposes that eligibility under the Paid Maternity Leave scheme be primarily for the birth mother<sup>1</sup>, or adopting parent, and be tied to the women's previous employment.*

- d. Return to work guarantee.

**RECOMMENDATION:** *The Queensland Government proposes that the same return to work guarantee is available to eligible employees under Paid Maternity Leave as outlined under part 2 section 33 of the Queensland Industrial Relations Act 1999 and Part 7 Division 6 of the Federal Workplace Relations Act 1996).*

A Commonwealth Government scheme introducing minimum Paid Parental Leave conditions would provide a basis for employers, both public and private, to build upon. In this way the broad economic benefits of increased labour force participation and retention could be maximised, leaving incentives for employers to 'top-up' payments to provide attractive packages for recruitment purposes in the currently tight employment climate. Those employers currently providing Paid Parental Leave should be encouraged to utilise current expenditure on 'topping-up' and/or extending the entitlements under a new Commonwealth funded scheme.

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<sup>1</sup> An exception would be upon the death of the mother or where, based on medical opinion, the mother is medically unable to care for the child.

## 2 Objectives of a Paid Parental Leave Scheme

Paid parental leave (PPL) is recognised at an international level through two major international instruments, the 1979 United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the 1919 International Labour Organization Maternity Protection Convention. Each instrument recognises the importance of PPL as a work-related entitlement ensuring a right to work for women and preventing employment discrimination. Australia is a signatory to both of these instruments.

The rationale for a national PPL scheme was clearly articulated by Australia's Human Rights and Equal Opportunity Commission (HREOC) in their report on paid maternity leave entitled "*A Time to Value*".<sup>2</sup>

[T]he case for a national paid maternity leave scheme rests on the importance of replacing family income around childbirth and recognising and partly compensating the financial disadvantage experienced by women in the workforce when they bear children. Recognition of the health and wellbeing needs of mothers and babies is also a significant issue.

The Queensland Government endorses this view. The introduction of a PPL scheme is consistent with the Queensland Government's state-based policy objectives for:

- *Building on economic success*
  - *Deliver a fair industrial relations system and improve workforce management by putting people, safe jobs and workplaces first;*
  - *Encourage full participation of the available labour supply.*
- *Fostering healthy individuals and communities*
  - *Increase quality of life by promoting good nutrition, active lifestyles and social participation.*

Currently, the employment disadvantage experienced by women due to childbearing is not addressed adequately by other social policy in Australia. Accordingly, a PPL scheme is a national priority. As Baird<sup>3</sup> notes:

[I]f women are to achieve real equality in the workplace and society, then universal access to paid maternity leave that provides for income replacement and security of employment is essential. Without this, there is no way of adequately integrating and addressing women's dual roles as producers and reproducers.

The Queensland Government supports a PPL scheme which aims to:

- promote employment equity for women;
- increase participation of women in the labour market;
- improve the long term economic security of women; and
- improve the health and well being of new-born children and their parents.

As Whitehouse<sup>4</sup> notes, PPL schemes can lead to greater gender equity in paid and unpaid work over the course of a woman's working career. If properly designed and

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<sup>2</sup> HREOC 2002 *A Time to Value: Proposal for a National Paid Maternity Leave Scheme* Sydney: NSW.

<sup>3</sup> Baird, M., 2004 'Orientations to Paid Maternity Leave: Understanding the Australian Debate', *Journal of Industrial Relations* 46 (1): 259-273

implemented, PPL can also increase the participation of women in the labour market and increase the health and well-being of new born children and their parents. Evidence supporting this view is provided in the following sections.

#### A. *Employment Equity for Women*

In their 2007 report *'It's about Time: Women, men, work and family'*, HREOC<sup>5</sup> seek to have acknowledged the important linkages between workplaces and the broader community, and specifically the care arrangements that support the workplace. The report challenges the notion of the 'ideal worker' as an individual who can meet the demands of paid work without any interruptions from family life. This notion is seen to foster the view that care for others is a 'choice' that individual workers make rather than an inevitable and integral part of working life.

Women suffer structural disadvantage in the workplace because they bear children and generally take the major responsibility in caring for their families. That disadvantage is evident not only in the loss of income but also in the break in their engagement with paid work which can be detrimental to the progression of their careers and to their future earnings. The provision of PPL is an important means by which the valuable contribution made by women in the workplace can be recognised.

In a press release published in *The Age* on 8 April 2008, Heather Ridout from the Australian Industry Group provided her support for a PPL scheme, stating that resolving the inequality experienced by women workers relative to men as a result of childbirth should be a key objective of the scheme. The Queensland Government believes that a PPL scheme would go some way towards ameliorating this disadvantage.

#### B. *Increased Workforce Participation*

An important corollary of addressing employment disadvantage for childbearers, is the anticipated effect on participation rates in the labour force. Whitehouse<sup>6</sup> notes Australian exceptionalism in terms of mother's employment rates. Utilising cross national data, Whitehouse shows the markedly lower employment rates for women in childbearing age groups, and particularly for mothers, in Australia compared to other member countries of the Organisation for Economic Co-operation and Development (OECD). Similarly, research by the Productivity Commission (PC) has shown that workforce participation rates of Australian women of child bearing age were ranked 20 out of 30 OECD countries.<sup>7</sup> Whitehouse<sup>8</sup> also argues that the predominance of part-time work among mothers contributes to a high level of gender inequality in hours of work and working time over the lifecycle in Australia. Along side this exceptionalism in mother's employment is Australia's low ranking in cross national comparisons of parental policies.<sup>9</sup>

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<sup>4</sup> Whitehouse, G., 2005 'Policy and Women's Workforce Attachment' *Just Policy* 35: 22-30

<sup>5</sup> HREOC, 2007 *Its About Time: Women, Men, Work and Family* NSW: Sydney

<sup>6</sup> Whitehouse 2005

<sup>7</sup> Abhayaratna J and R. Lattimore, 2006 Productivity Commission, *Workforce Participation Rates – How Does Australia Compare?* December Available at SSRN: <http://ssrn.com/abstract=1018871>

<sup>8</sup> Whitehouse 2005

<sup>9</sup> See for example Castles, F., 2004 'How Society Chooses – Policies and Values, Past and Future' paper presented to *Globalisation, Families and Work: Meeting the Policy Challenges of the Next Two Decades*, Brisbane June 1-2; Daly, M., 2000, 'A Fine Balance – Women's Labor Market Participation in International Comparison' in Scharpf, F.W. & Schmidt, V.A. (eds) *Welfare and Work in the Open Economy*, Oxford University Press: Oxford; Gornick,

ABS data<sup>10</sup> shows that participation of women in the Australian labour force, although still low, has increased in the last decade by 3 percentage points, to 57 per cent. Participation of females in the Queensland labour force is slightly higher at 59 per cent (which represents an increase of approximately 4 percentage points since 1996).

Despite this increase, female labour force participation is significantly below that of males, at 73 per cent in Queensland and 72 per cent nationally. The labour force participation rates for mothers of young children are lower still with only 53 per cent of women with a child under 4 years of age participating in the Queensland labour force in 2006. This low rate of participation for mothers of young children is the same for Australia as a whole.

Further disparity is evident in the proportion of paid weekly hours worked by women compared to men. For example, in Queensland in 2006 women made up 42 per cent of the total Queensland labour force but only contributed 38.2 per cent of the paid total weekly hours worked by employed persons (married women contributed an even smaller proportion of total hours worked, at 24.5 per cent). The proportion of total hours worked by women, however, has increased slightly from 34.7 per cent in 1996.<sup>11</sup> The low level of participation by women, and particularly mothers, is particularly significant given the widespread labour shortages evident in Queensland.

Queensland has experienced dramatic growth in employment over the past ten years and since 2000 has created over a third of all full-time jobs growth nationally.<sup>12</sup> In addition, unemployment has fallen significantly with latest figures placing the Queensland unemployment rate at 3.9 per cent compared to 4.3 per cent nationally.<sup>13</sup> The buoyant state economy has resulted in significant skills shortages which need to be addressed in order to facilitate current and continued economic growth and prosperity.<sup>14</sup> The maximisation of the participation of Queenslanders in the labour market is a critical issue for Queensland.

Although the extent to which policy frameworks determine employment rates for mothers is difficult to measure (as employment rates reflect a wide range of influences within and outside the labour market) a range of international research confirms the influence of parental policy measures on maternal employment rates. The OECD Employment Outlook for June 2001<sup>15</sup> shows that where the most developed family leave and childcare arrangements exist, women's employment rates are higher. Ruhm<sup>16</sup> showed in a study of nine European countries from 1969-1993 that the right to PPL significantly raised the percentage of women employed. The

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J., M. Meyers, and K. Ross, 1998 "Public Policies and the Employment of Mothers: A Cross-national Study" *Social Science Quarterly*, 79 (1) : 35-54.

<sup>10</sup> ABS, 2007 *Australian Social Trends Data Cube Table 2* (Cat. No. 4102.0)

<sup>11</sup> ABS, 2007 *Labour Force Survey Unpublished data* (Cat. No. 6202.0)

<sup>12</sup> Queensland Government Department of Employment and Training, 2005 *Queensland's proposed responses to the challenges of skills for jobs and growth; a green paper*, Brisbane

<sup>13</sup> ABS, 2008 *Labour Force Australia April* (Cat. No. 6202.0)

<sup>14</sup> Queensland Government Department of Employment and Training, 2006 *Queensland Skills Plan*, Brisbane

<sup>15</sup> OECD, 2001 *Employment Outlook June*

<sup>16</sup> Ruhm, C., 1998. 'The Economic Consequences of Parental Leave Mandates: Lessons from Europe', *Quarterly Journal of Economics*, 113 (4): 285-317.

study examined paid maternity leave of varying lengths of time in nine European countries and found that such leave may increase women's employment rate by 3-4 per cent. In addition, research has demonstrated that the provision of leave with job protection reduces the amount of time that women spend out of the labour force.<sup>17</sup> A number of other cross national studies have arrived at similar conclusions linking employment rates with a range of parental policies.<sup>18</sup>

For employers, the impact of parental leave policies is reflected in the evidence of increased attraction and retention of female employees in firms where provisions for PPL exist. The 2003 EOWA Annual Survey, for example, found that the retention rate of female employees who had taken maternity leave was 67 per cent in organisations where paid maternity leave was provided compared to 56 per cent in organisations where no paid maternity leave provisions were offered.

The business case argument is reflected in the recent announcements of the introduction of paid maternity leave for employees of national retailer Myer and grocery retailer, Aldi Stores, which was related to staff retention in an era of skills shortage. Aldi's group managing director, Michael Kloeters, said in a statement that the skills shortage made employees, particularly 'long terms ones', a valuable commodity. 'We invest a substantial amount of time and money in employees and don't like to lose them, so we are hoping the provision of paid maternity leave will be an attractive retention strategy'.<sup>19</sup>

Together this research and business examples provide strong support for the positive relationship between PPL and improved attraction and retention of employees from an organisational perspective and greater female workforce participation (particularly in the case of mothers) from a broader perspective. Whitehouse<sup>20</sup> highlights the importance of an effectively implemented right to return to the same or equivalent job and a level of pay which reinforces the employment relationship as factors in maximising the potential for positive effects on participation rates. Also important will be the extent to which women perceive genuine choice of return to work through the provision of publicly funded high quality child care places.

### C. Long term economic security of women

Women and their families can experience financial difficulties when working women withdraw from the labour market for the purposes of childbearing and childrearing. These financial difficulties are especially pronounced in the current environment with escalating costs of living and growing levels of mortgage stress in some households. Women experience lifetime career and earnings disadvantage as they move in and out of the workforce due to child birth and caring responsibilities.<sup>21</sup> This income disadvantage is continued into retirement as superannuation benefits are directly

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<sup>17</sup> Ronsen, M. and M. Sundstrom, 1996 'Maternal Employment in Scandanavia: A Comparison of the After-Birth Employment Activity of Norweigan and Swedish Women', *Journal of Population Mechanics*, 9:3. 267-285

<sup>18</sup> See for example Gornick, J. and M. Meyers, 2003 *Families that Work* Russell Sage Foundation: New York; Mandel, H. and M. Semyonov, 2003 'The Prevalence of Welfare State Policies and Gender Socioeconomic Inequality: A Comparative Analysis', *Luxembourg Income Study Working Paper No. 346*, Centre for Policy Research, Syracuse University: New York.

<sup>19</sup> Kloeters, M., 2008. *Aldi's Paid Maternity Leave First for Grocery Sector*, [www.workplaceexpress.com.au](http://www.workplaceexpress.com.au) accessed on 1/4/08

<sup>20</sup> Whitehouse, G., 2005 Policy and Women's Workforce Attachment *Just Policy* 35: 22-30

<sup>21</sup> Chapman, B., Y. Dunlop, M. Gray, A. Liu, and D. Mitchell, 1999. *The Foregone Earnings from Child-Rearing*, Centre for Economic Policy Research, Research School of Social Sciences, Australian National University

related to lifetime workforce earnings. It is forecast that the disparity between men's and women's financial position in retirement is likely to worsen in the future.<sup>22</sup> The provision of a PPL scheme would go some way to addressing the earnings disadvantage experienced by women.

#### *D. Health and well being considerations*

The health and wellbeing benefits of PPL were thoroughly canvassed in the 2002 HREOC report 'A Time to Value'.<sup>23</sup> The report concludes that the health and wellbeing of mothers and babies following childbirth is a key reason to introduce a secure paid maternity leave scheme.

Following birth, mothers require sufficient time to recover from fatigue and restore functionality and mental health. The World Health Organisation (WHO) states that a period of leave after childbirth provides time for mothers to recover and combat maternal health problems which can include infections, anaemia, depression, backache, anxiety and extreme tiredness.<sup>24</sup> A period of absence from work is equally important for newborn infants; evidence suggests that maintaining a regular breastfeeding regime can measurably reduce instances of childhood illness and ailments.<sup>25</sup>

International studies have shown that PPL policies allowing mothers to bond with newborn children and commence regular breastfeeding can influence infant mortality. Tanaka analysed the effects of maternity leave in 18 OECD countries between 1969 and 2000<sup>26</sup> and found that longer periods of paid leave are correlated with reduced infant mortality – controlling for country, year, general health expenditure and other social programs affecting children. Her study showed that a ten-week extension in paid leave reduces the infant mortality rate by 2.6 per cent and post-neonatal mortality by 4.1 per cent. A number of other international studies have identified a range of other health and wellbeing effects of paid leave including lower maternal depression;<sup>27</sup> lower infant mortality;<sup>28</sup> fewer low birth-weight babies;<sup>29</sup> more breastfeeding;<sup>30</sup> and more use of preventative healthcare.<sup>31</sup> The research is also clear that unpaid leave does not have the same protective effects<sup>32</sup> as parents are less likely to use unpaid leave.<sup>33</sup>

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<sup>22</sup> HREOC, 2007 *Its About Time: Women, Men, Work and Family* NSW: Sydney

<sup>23</sup> HREOC, 2007 *Its About Time: Women, Men, Work and Family* NSW: Sydney

<sup>24</sup> World Health Organisation, 2000 *Health Aspects of Maternity Leave and maternity Protection: Statement to the International Labour Conference*, 2 June

<sup>25</sup> Smith, J., L.H. Ingham, and M.D. Dunstone, 1998 'The Economic Value of Breastfeeding' *Working Paper No. 40* Australian National Centre for Epidemiology and Population Health, Australian National University, Canberra

<sup>26</sup> Tanaka, S., 2005, 'Parental Leave and Child Health across OECD Countries', *Economic Journal*, 115 (501): F7-F28

<sup>27</sup> Chatterji, P. and S. Markowitz, 2004 'Does the Length of Maternity Leave Affect Maternal Health?', *National Bureau of Economic Research Working Paper No. 10206*. Available at SSRN: <http://ssrn.com/abstract=486210>

<sup>28</sup> Ruhm, C., 2000 'Parental Leave and Child Health', *Journal of Health Economics*, 19 (6): 931-960; Tanaka, S., 2005

<sup>29</sup> Ruhm 2000

<sup>30</sup> Berger, L., J. Hill, and J. Waldfogel, 2005 'Maternity Leave, Early Maternal Employment and Child Health and Development in the US', *Economic Journal* 115 (501): F29-F47

<sup>31</sup> Berger (2005)

<sup>32</sup> Ruhm, C (2000), Tanaka, S (2005)

<sup>33</sup> Waldfogel, J., 2004 'Social Mobility, Life Chances and the Early Years', *Centre for Analysis of Social Exclusion Paper* 88 London School of Economics, London

Poor job conditions can therefore have detrimental affects on the health and wellbeing of mothers and their newborn children. An Australian National University<sup>34</sup> study indicates that poor family friendly workplace policies, including a lack of PPL, are associated with parents exhibiting a greater likelihood of depression, poorer coping, increased stress, poorer sleep quality and poorer self rated health. A further Australian study<sup>35</sup> supports the relationship between job quality and income security and family wellbeing.

The preceding discussion highlights the importance of PPL in addressing the disadvantage experienced by women in the labour market due to their disengagement from the labour market for childbearing and childrearing responsibilities. This disadvantage is experienced by women across the life course as their working lives are disrupted by periods of childbearing and caring. This lessens their earnings during their working life and financial security in retirement as superannuation is tied to long term, continuous attachment to the labour market. Evidence was presented which supported the influence of PPL policies on improved labour market attachment of women (and particularly of mothers) and improved attraction and retention at the level of the firm. Further evidence demonstrated the improved health and well being outcomes for infants and their mothers and families as a consequence of PPL. These factors are those that the Queensland Government believes should inform the development of a PPL scheme.

### **3. Maternity, Paternity and Parental Leave**

The International Labour Organisation (ILO) differentiates between maternity and parental leave by stating that maternity leave is to assist women during the time of child-bearing, while parental leave is to assist parents in child-raising.<sup>36</sup> Child-birth and pregnancy are significant physiological events experienced solely by the mother. In recognition of this fact, an exclusive period of leave ought to be provided for women to physically recover from childbirth and to compensate them for time that they must take from work over this period.

To provide a period of time for mothers to recuperate and regain health, the WHO recommends a period of absence from work.<sup>37</sup> The WHO recommends leave of four months around the time of the birth, allowing the mother to bond with the child and commence breastfeeding which has been linked by many studies with lower child mortality and lower instances of common child illnesses. WHO does also recommend that ideally, exclusive breastfeeding for the first 6 months is recommended for optimal child health outcomes.<sup>38</sup>

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<sup>34</sup> Strazdins, L., D. Broom, M. Shipley, E. George, 2006 'What Does Family Friendly Really Mean? Defining Optimal Jobs for Parents', Paper presented at the Academy of Social Science Workshop, *Taking Care of Work and Family: Policy Agendas for Australia*, Sydney

<sup>35</sup> Baxter, J., M. Gray, M. Alexander, L. Strazdins, and M. Bittman, 2007 *Mothers and Fathers of Young Children: paid employment, caring responsibilities and well being* Department of Families, Housing, Community Services and Indigenous Affairs, Canberra

<sup>36</sup> International Labour Organization, (1999) *Maternity Protection at Work: Revision of the Maternity Protection Convention (Revised), 1952 (No. 103) and Recommendation, 1952 (No. 95) Report V(1) International Labour Conference 87th Session, Geneva*

<sup>37</sup> World Health Organisation, 2000 *Health Aspects of Maternity Leave and maternity Protection: Statement to the International Labour Conference*, 2 June.

<sup>38</sup> World Health Organisation, 2000. *Health Aspects of Maternity Leave and maternity Protection: Statement to the International Labour Conference*, 2 June

The adoption of a child is an equally significant and important time for families. Time for the adopted child to bond and settle are important for the health and well being of the family and a period of leave from work is vital to facilitate this period.

In contrast to childbirth, which only women bear, the care and nurturing of children is shared by both men and women. Therefore any period of paid leave dedicated to the raising of children should reflect that it is a not a responsibility that should be borne solely by women but one that is able to be shared equally between partners. Paid leave for child-raising is a matter which deals specifically with issues of work-life balance of employees and less so with infant and maternal health and workplace equality.

The Queensland Government's primary concern is the implementation of paid leave for women on the birth of their child. Provision of leave at this period is vital to compensate women who must take time from work to recover from childbirth. Providing financial compensation at this time provides security for working women, maintains connection with the workplace, and allows them to physically recover from childbirth and develop a routine of breastfeeding which is beneficial to the health of infant children.

The Queensland Government believes that an equally important consideration is the provision of leave from work for fathers at the time of birth of a child. This leave provides time for fathers to support their families and to bond with their infant. Furthermore, the Queensland Government recognises the importance of parental leave for families, particularly during the first year of a child's life.

#### **4 The Current status of paid parental leave in Australia**

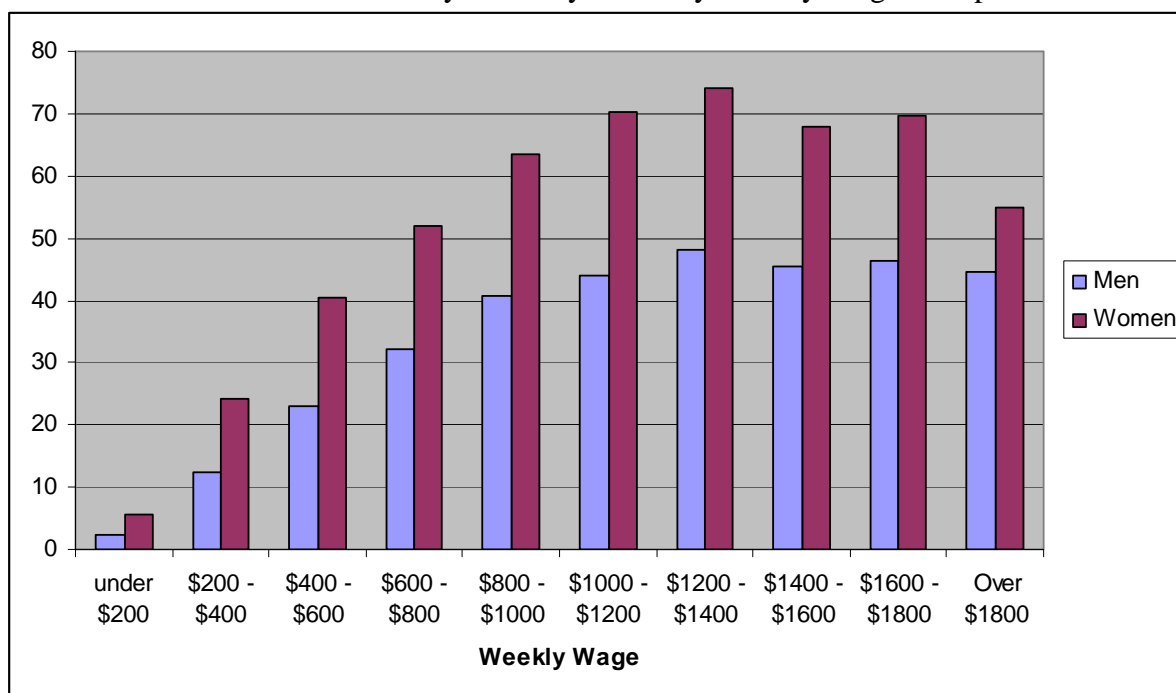
Due to the lack of a nationally legislated PPL scheme, access to PPL in Australia remains limited and varies considerably in both access and quality between public and private sector and certain industries and occupations. The Australian Bureau of Statistics (ABS) releases a number of publications which provide measures of the leave-taking behaviour of mothers and pregnant women which can be used to establish a picture of the status of PPL in Australia.

The ABS survey *Employee Earnings, Benefits and Trade Union Membership*<sup>39</sup> (EEBTUM) shows that in 2007, 45 per cent of Australian women had access to PPL through their employer. Access to PPL is highest amongst those earning between \$1000 and \$1800 per week (see Table 1), while those working part-time have 27 per cent access compared to 60 per cent access amongst full-time workers. Furthermore, just one quarter of employees of small businesses, with fewer than 10 employees, have access to paid leave provisions. PPL is also more prevalent in certain industry sectors such as public administration, electricity, gas, water, education, training, financial and insurance services compared to retail and hospitality.

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<sup>39</sup> ABS, 2008 *Employee Earnings, Benefits and Trade Union Membership*, Australia, August 2007, (Cat. No. 6310.0)

Table 1. Access to Paid Maternity/Paternity Leave by Weekly Wage Group



6310.0 Aug 2006, Employee Earnings, Benefits and Trade Union Membership, Australia

Similar trends are identified in the 2006 ABS publication, *Pregnancy and Employment Transitions Australia*<sup>40</sup> (PaETA) which focussed on birth mothers with a natural child living with them who was under two years of age when the mother was interviewed in November 2005. This survey shows that 58 per cent of birth mothers with a natural child living with them who was under two years of age had worked as an employee in their last main job while they were pregnant. Of these, 73 per cent took some form of leave from their employment for the birth and subsequent care of their child. Paid leave of some sort was taken by 51 per cent of women employees and 37 percent had access to some paid maternity leave.

Paid maternity leave was more common for women employed in the public sector (76 per cent compared to 27 per cent in the private sector), in skilled occupations (60 per cent of professionals compared to 31 per cent of intermediate clerical, sales and service workers) and in larger organisations (56 per cent of employees in firms employing over 100 people compared to 15 per cent of those working for employers employing fewer than 10 people).<sup>41</sup> The survey also shows that of the 39 per cent of women returning to work with their child under 2 years old, 82 per cent chose to return on a part-time basis and 73 per cent reported that they returned because of 'financial reasons'.

During 2004 – 2008, the Queensland Department of Employment and Industrial Relations partnered in an Australian Research Council (ARC) research project investigating the incidence and experience of maternity leave in Australia. The study entitled '*Parental Leave in Australia*', comprised survey, case study and interview

<sup>40</sup> ABS 2005 *Pregnancy and Employment Transitions* (Cat 4913.0), November

<sup>41</sup> ABS 2007 *Australian Social Trends 2007 Article: Maternity Leave arrangements* (Cat. 4102.0)

data on the experiences of mothers in the workforce. The results of that study have been important in providing insights into the employment situation of mothers.<sup>42</sup>

The parental leave study shows that 70 per cent of mothers were in paid employment in the 12 months prior to the birth of their child.<sup>43</sup> The study found that in order to avoid economic hardship, around 50 per cent of working women combined different forms of leave, such as long service leave and annual leave, in order to maximise paid leave following birth. Only four per cent of respondents stated that they used only paid maternity leave after the birth of their child. The average duration of leave (paid and unpaid) among mothers was around 40 weeks.

Overall, 14 per cent of employed mothers opted to leave the labour market around the time of the birth (this included eight per cent of those meeting basic eligibility for unpaid parental leave). The most common reason identified for leaving was to look after family full-time, but around 20 per cent cited lack of paid maternity leave as a reason why they quit work.

A significant proportion (46 per cent) of mothers who took leave and returned to work reported that they would have taken longer leave if they had access to some (or more) paid maternity leave. Among this group, 45 per cent indicated that they had returned to work earlier than they would have liked because they needed the money.

In terms of policy preferences close to 50 per cent of families identified better parental leave provisions as policies that would have improved things most for them in the period since the birth of their child. While more (or some) paid maternity leave was identified as important by one-third of all respondent families (and over 60 per cent of families in which the mother had been employed prior to the birth and taken leave), only six per cent of all families listed longer unpaid maternity leave as something that would have improved things for them. Overall, families in which the mother had not been in paid employment appeared least likely to be seeking policy assistance: 44 per cent did not identify any policies as measures that would have improved their situation. This was the case in only 12 per cent of families where mothers had been employed prior to the birth and taken leave.

In terms of paid paternity leave, the main ABS publication of relevance is the EEBTUM which shows that 40 per cent of full time employed men have access to some leave on the birth of their child.<sup>44</sup> However, as with paid maternity leave, access to paid paternity leave is lower in the private sector (30.8 per cent) and minimal amongst low income earners (See Table 1) and those not working full-time.

While a reasonable proportion of men have access to paid paternity leave, further evidence shows that less than one quarter of fathers used any paid parental leave (see Table 2). Interestingly, a significant proportion did not take any leave at all on the birth of their child. However most fathers in this survey took, on average, around 14 days leave from work.

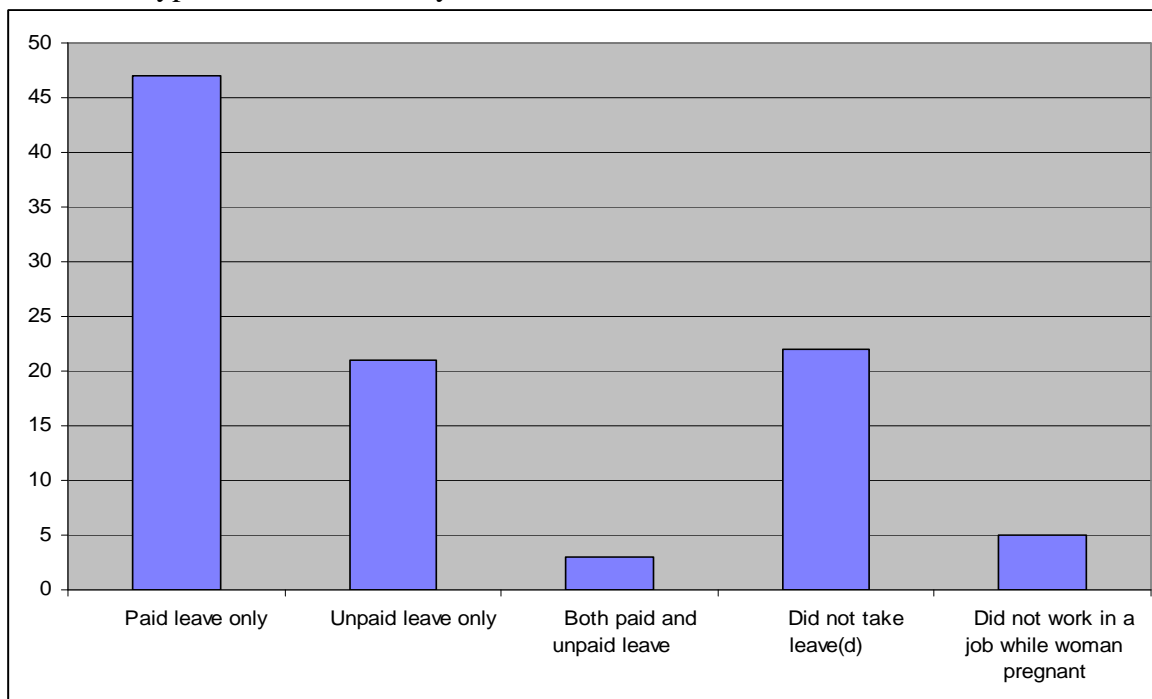
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<sup>42</sup> Whitehouse, G., M. Baird, C. Diamond, 2006 *The Parental Leave in Australia Survey*, University of Queensland, Brisbane

<sup>43</sup> Whitehouse, G., M. Baird, C. Diamond and A. Hosking 2006 *The Parental Leave in Australia Survey: November 2006 Report* University of Queensland, Brisbane

<sup>44</sup> ABS, 2007 *Employee Earnings, Benefits and Trade Union Membership*, August, Cat. 6310.0

Table 2. Type of Leave Taken by Woman's Partner on the Birth their Child



4913.0 Nov 2005 Pregnancy and Employment Transitions, Australia

This overview of the available data shows that women require and take leave from employment at the time of the birth of a child. Access to paid maternity leave remains limited and is largely dependent on sector of employment and size of employer. Many women report a preference for more (or some) paid maternity leave and would take more leave to care for their child if that financial support were available. Paid paternity leave is also limited in Australia and as in the case of paid maternity leave, access is more likely in the public sector and in larger organisations. Clearly PPL is a necessary and desired employment entitlement which would provide further support for parents and their infants.

## 5 Lessons from Overseas

PPL policies are widespread amongst OECD countries. Australia and the United States of America are the only two OECD member countries that do not have nationally legislated PPL policies. The models of PPL in existence worldwide are diverse in scope, length and generosity of payments. Details of the differing provisions offered in select countries are set out in Attachment 1.

There are a number of key lessons to be drawn from the overseas experience. First, it is clear that countries which have adopted PPL have done so with a focus on supporting mothers recovering from childbirth, compensating them for lost income and security and assisting them in the transition out of, and back into the workforce. While additional policy considerations may have factored in the design and

implementation of the policy (particularly where the length of the PPL period has been extended), the focus of the policy has primarily been on employment equity.<sup>45</sup>

Second, while many countries have initially introduced 14 weeks paid leave in accordance with the ILO Maternity Protection Convention,<sup>46</sup> this period of leave has often been progressively extended after its initial implementation<sup>47</sup>. The ILO recommends, in paragraph 4 of Recommendation 191, that countries who have implemented a basic 14 week PPL scheme ought to gradually extend the leave period over time to at least 18 weeks. Many countries have done so including the United Kingdom, Sweden and Singapore. The United Kingdom implemented PPL in 1979 and since 1994 have more than doubled the rate of pay and increased the length of leave available from 14 to 39 weeks. This highlights the importance of adopting a long term view in the formulation and implementation of a PPL policy.

The funding of maternity leave differs considerably between countries with the majority of countries paying from social welfare or social insurance schemes or some combination of employer and government funding. In Switzerland and Singapore, where maternity leave is paid at the women's full wage rate, the funding is solely from employers'.<sup>48</sup>

It is a common requirement in PPL schemes that employees work for an employer for a minimum period of time before being eligible for maternity leave payments. Countries such as New Zealand, United Kingdom and Canada, place a further requirement on minimum working hours or earnings in the qualification period. In the United Kingdom, Sweden, Singapore, Japan for example, the level of benefit is often directly related to the employees' prior earnings. This approach preserves the connection between employer and employee.

Leave schemes dedicated to fathers with newborn children are less common internationally than those for mothers. Some countries have altogether neglected paternal leave, such as Singapore and Japan, while most either have a specific amount of leave solely for fathers or 'parental leave' which may be shared between mother and father.

Where there is a specific period of paid leave solely for the father it is generally for a short period of time, two weeks is provided for fathers in the United Kingdom and 10 days is provided in Sweden paid at the same rate as their maternity leave schemes. The United Kingdom and Sweden also offer periods of leave which may be shared between both parents. Uptake of such leave has been low compared to that of maternity leave, although paternal involvement through leave benefits is connected with increased female labour force participation<sup>49</sup>.

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<sup>45</sup> Margaret Wilson, Speech to PSA Delegates Seminar, New Zealand Government, 3 February, 2003; Meg Munn MP, Parliamentary Undersecretary of State, United Kingdom House of Commons, 'Family Policies in the UK through the Lens of Gender Equality', 31 January 2007.

<sup>46</sup> International Labour Organisation, *Maternity Protection Convention (Revised) 1952*, Article 6

<sup>47</sup> see for example: Sweden, Singapore and the United Kingdom

<sup>48</sup> [http://www.apesma.asn.au/newsviews/professional\\_update/2001/june/paid\\_maternity.htm](http://www.apesma.asn.au/newsviews/professional_update/2001/june/paid_maternity.htm)

<sup>49</sup> Duvander A., 2006 'Gender Equality and Fertility in Sweden: A Study on the Impact of the Father's Uptake of Parental Leave on Continued Childbearing' *Marriage & Family Review* 39 (1)

Research in various countries has established that PPL policies have been successful in reducing financial hardship after birth, increasing female participation rates and improving the health of mother and baby.<sup>50</sup> PPL schemes have had less success in encouraging fathers to participate in child-raising.<sup>51</sup> The key lessons from the overseas experience is the focus of PPL schemes on employment equity and workforce participation and the tendency for extension of the leave period within a relatively short time following the initial introduction of the scheme.

## 6. Impact on Employers

There is considerable literature which points to the benefits available to companies and businesses who implement PPL schemes. The federal Governments' workplace relations site, [www.workplace.gov.au](http://www.workplace.gov.au), provides an overview of the benefits businesses can expect when implementing a PPL policy, these include:

- Competitive edge in recruiting and enhanced corporate image;
- Improved ability to retain skilled staff and increase return on training investments;
- Reduced absenteeism and staff turnover;
- Improved productivity;
- Potential for improved occupational health and safety records.

The Equal Opportunity for Women in the Workplace Agency (EOWA) business survey<sup>52</sup> revealed a number of benefits seen by businesses after the introduction of a paid maternity leave scheme. Key successes identified were:-

- for NRMA, an increased return from parental leave from 32 per cent in 1993 to 85 per cent in 1998,
- for Tiwest, a reduction in their turnover rate from 10 to 1 per cent,
- for Blake Dawson Waldron, who originally implemented a PPL policy for recruitment reasons, reported savings of \$1.75 million per year in reduced recruitment, selection and training costs due to increased return from PPL and lower turnover of staff.

The economic benefits of labour force retention associated with the introduction of PPL have been observed generally in countries implementing PPL policies.<sup>53</sup>

Research on several leading business organisations with 'above standard' PPL policies uncovers a variety of motivations behind their introduction.<sup>54</sup> While most

<sup>50</sup> Ruhm 2000; Winegarden, C. & M. Bracy, 1995 'Demographic Consequences of Maternal-leave Programs in Industrial Countries: Evidence from Fixed-Effects Models', *Southern Economic Journal* 61 (4): 1020-1035; Tanaka 2005; Waldfogel, J., 2006. 'What do Children Need?', *Public Policy Research*, 13(1): 26-34

<sup>51</sup> Chartered Institute of Personnel Development, 2004 *Survey Report – Flexible Working and Paternity Leave – The full rate for fatherhood*. London Quail, S. 2006 *From Here to Paternity: Personal Experiences of Paternity Leave* Glasgow Caledonian University

<sup>52</sup> Equal Opportunity for Women in the Workplace Agency, 2004 *The Business Case for Paid Maternity Leave*, <<http://www.eowa.gov.au>>, accessed 24 April 2008

<sup>53</sup> Winegarden, C. & M. Bracy, 1995 'Demographic Consequences of Maternal-leave Programs in Industrial Countries: Evidence from Fixed-Effects Models', *Southern Economic Journal* 61 (4): 1020-1035

<sup>54</sup> Charlesworth S., 2007 'Paid Maternity Leave in Best Practice Organisations: Introduction, Implementation and Organisational Context', *Australian Bulletin of Labour*

organisations agree that there are strong ‘business reasons’ for implementing PPL, other drivers such as ‘the right thing to do’, improving the stature/reputation of the organisation and improving organisational commitment and cohesion are just as important, or more important, than the solely business-related reasons. These findings are not isolated, but are consistent with other national and international research.<sup>55</sup>

Data cited earlier showed that PPL is more likely to be available to employees in large organisations employing over 100 people. Although the benefits to employers of PPL schemes apply equally to small business employers, the cost burden may be greater for small business. For small business the payment of PPL coupled with the cost of administration, recruiting and replacement of the absent labour can outweigh the perceived benefit.

A federally funded scheme partially overcomes the problems likely to be experienced by small business in the implementation of a PPL scheme (although the recruitment and administrative costs are still important considerations) and goes some way to enabling small business to address the competitive advantage of PPL which to date has been the province of larger employers. The community services sector is another sector in which the cost burden may be a greater consideration given the smaller size of organisations and the female dominated workforce. Once again, however, the provision of a federally funded scheme will also allow the community services sector to compete in the attraction and retention of staff.

Implementing universal access to PPL could be expected to have a positive impact on Australian workplaces and the Australian economy in general. A Commonwealth Government scheme introducing minimum PPL conditions could be used as a basis for employers, both public and private, to build upon. In this way the broad economic benefits of increased labour force participation and retention could be maximised, leaving incentives for employers to ‘top-up’ payments to provide attractive packages for recruitment purposes in the currently tight employment climate. Those employers currently providing PPL should be encouraged to utilise their current expenditure on PPL on ‘topping-up’ and/or extending the entitlements under a new Commonwealth funded scheme.

## **7. Recommended Model of Paid Parental Leave for Australia**

The Queensland Government supports the development of a PPL scheme based on the following key objectives:

- a) employment equity,
- b) increased workforce participation of women,
- c) the long term economic security of women, and
- d) the health and wellbeing of newborn infants.

It is clear from the international body of evidence that PPL delivers considerable benefits to parents, employers, the community and the economy. In particular, research highlights the importance of an effectively implemented right to return to the same or equivalent job and a level of pay which reinforces the employment

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<sup>55</sup> Rutherford, S. and S. Ollereanshaw, 2002 *The Business of Diversity: How Organisations in the Public and Private Sectors are Integrating Equality and Diversity to Enhance Business Performance*, Schneider-Ross, Hampshire;

relationship as important policy considerations in maximising the potential for positive effects on participation rates. Increased workforce participation is particularly important in the Queensland context where labour shortages are evident in many areas and are predicted to continue into the future.

As a minimum, the Queensland Government recommends the adoption of:

- a Commonwealth funded Paid Maternity leave (PML) scheme;
- paid at the full rate of previous ordinary time earnings up to a ceiling of the Federal Minimum Wage (FMW);
- for 14 weeks; and
- an effective return to work guarantee.

In the light of the overseas experience, it is also recommended that in the longer term, consideration be given to extending this period of leave in line with ILO recommendations and that further consideration could be given to longer periods of leave to accommodate parental leave which can be shared by parents.

It is further recommended that consideration be given to adopting a government funded Paid Paternity Leave scheme, paid at the full rate of previous ordinary time earnings up to the ceiling of the FMW for 1 week. The following discussion, however, focuses on the adoption of a PML scheme.

In developing recommendations for a national PML scheme, the key issues examined were:

- e. Duration and generosity of benefit
- f. Financing options
- g. Eligibility
- h. Return to work guarantee

*a. Duration and generosity of benefit*

**RECOMMENDATION:** *The Queensland Government recommends that PML be paid up to the rate of the FMW for 14 weeks, consistent with ILO recommendations.*

Based on medical evidence, a guaranteed 14 week period of paid leave is a minimum time for the majority of women to recover from childbirth and to establish breastfeeding.<sup>56</sup> A period of 14 weeks PML also has considerable community support<sup>57</sup>. Ideally, a staged approach should be adopted with consideration given to the extension of this period of leave in line with ILO recommendations and that further consideration be given to longer time periods of leave to accommodate parental leave which can be shared by both parents.

The Queensland Government supports PML being paid at the full rate of the women's previous earnings up to the rate of the FMW. This rate allows for full income replacement for a proportion of working women (including some of those working part-time and those working full time at the FMW) and allows a basic level of income

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<sup>56</sup> HREOC, 2002 *A Time to Value*, section 5.2, p51)

<sup>57</sup> HREOC, 2002 *A Time to Value*, section 16.9, p191)

replacement for other female employees. It also allows and encourages the flexibility for employers to 'top-up' the rate of payment to 100 per cent of the women's wage. For employers already providing PML, they would be encouraged to utilise current expenditure on PML on 'topping-up' or extending the period of leave provided under the new Commonwealth funded scheme, thereby maximising the potential for benefits in terms of attraction and retention of employees.

Basic costings of the proposed PML scheme are provided at Attachment 2.

*b. Financing options*

**RECOMMENDATION:** *The Queensland Government supports a Commonwealth Government funded PML scheme.*

The main options for financing the scheme would be either as a welfare payment paid directly by the Commonwealth Government to the recipient or as a payment made by the employer directly to the employee and reimbursed by the Commonwealth Government.

The key advantages of having the benefit paid through the employer are the preservation of the connection between employer and employee, improvement in the retention of employees after leave ceases and differentiation of the payments from general welfare. The benefit, paid in this way, would be taxed and would continue superannuation contributions for the employee over the period of paid leave. The continuation of superannuation contributions is an important consideration in combating the long term income disadvantage experienced by women due to childbearing. For employers, having the benefit paid in this way maximises the benefits in terms of attracting and retaining employees and for small business allows them to address the competitive advantage currently held predominantly by larger business who are able to provide PML.

An additional benefit would be that the determination of the correct payment (given that a benefit paid in this way would have eligibility criteria tied to previous employment) would be made at the workplace level where the relevant information is readily available. This would also enable further flexibility in terms of, for example, having the benefit paid at half rate for a longer period if the employee preferred. This may also encourage further innovation amongst employers in the provision of benefits to employees on leave including the continuation of superannuation contributions over longer periods. On the other hand, the scheme may be found to be administratively complex and as adding to employer's costs and obligations (particularly for small business employers). Issues of compliance may also arise in the case of a dispute between the employer and employee over eligibility.

Alternatively, the scheme could be paid as a welfare payment through the social welfare system directly to the employee. It would be possible to build upon existing tax and administrative machinery to make the payment this way. Transaction and administrative costs would vary depending on the eligibility requirements for the scheme. If the payment were to be tied to the women's previous employment (in terms of hours and duration of employment) administration would be more complex and costly.

### *c. Eligibility*

**RECOMMENDATION:** *The Queensland Government proposes that eligibility under the PPL scheme be primarily for the birth mother<sup>58</sup>, or adopting parent, and be tied to the women's previous employment.*

As discussed earlier, child-birth and pregnancy are significant physiological events experienced solely by the mother. The adoption of a child is also a very significant time for adopting parents and their child.<sup>59</sup> In recognition of this fact, an exclusive period of leave ought to be provided for women to physically recover from childbirth and to bond with their child (including adopted child) and to compensate them for time that they must take from work over this period. Tying the benefit to the women's previous employment maximises the benefits in terms of the increased workforce participation of mothers.

The current eligibility provisions for unpaid leave under Section 18 of the *Queensland Industrial Relations Act 1999* (IRA) and Part 7, Division 6 of the *Federal Workplace Relations Act 1996* (WRA) provides unpaid parental leave for an employee who:

- is not a long term casual employee and who has had at least 12 months continuous service with the employer; or
- a long term casual employee.

These eligibility requirements are relevant to PML, particularly in the situation where PML is paid through the employer and reimbursed by the Commonwealth Government. For those women whose attachment to the labour market is not through a single employer (eg self employed, contractors, those working in a series of casual positions), provision should be available so that application for PML can be made directly to the Commonwealth Government and payment made directly to the employee applicant.

It may also be appropriate and timely to consider altering the requirement for continuous service with an employer to 6 months rather than 12 months in recognition of trends in the labour market. For example, at February 2006, 23 per cent of female employees had worked for less than 12 months with their current employer and some 16 per cent of all female employees in the child-bearing age category of 15-34 age groups had changed employers in the previous 12 months.<sup>60</sup> It should be noted that this data includes juniors and students and as such overstates the proportion of women with significant attachment to the labour market who may be transitionally employed. Nevertheless, it may be appropriate to review the requirement for 12 months continuous service to ensure that exclusions are valid.

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<sup>58</sup> An exception would be upon the death of the mother or where, based on medical opinion, the mother is medically unable to care for the child.

<sup>59</sup> Where it is not specifically included in the discussion, it should be assumed that reference to the birth of child also refers to the adoption of a child and that reference to the birth mother refers also to the primary carer of an adopted child.

<sup>60</sup> ABS, *Labour Mobility*, (Cat No 6209). These numbers are similar to those reported in the Parental Leave in Australia Survey of November 2006. See Whitehouse et al, op cit.

If PML is funded as a welfare payment, there may not be the same need to define eligibility as narrowly as the association with the women's previous employment and relationship with a specific employer. It would still be important, however, that the benefit be associated with a significant labour market attachment so as to establish the benefit as an employment entitlement.

*d. Return to work guarantee*

**RECOMMENDATION:** *The Queensland Government proposes that the same return to work guarantee is available to eligible employees under PML as outlined under part 2 section 33 of the Queensland Industrial Relations Act 1999 (IRA) and Part 7 Division 6 of the Federal Workplace Relations Act 1996 (WRA).*

Under these provisions, employees eligible to return to work after parental leave are entitled to be employed in either:

- the position held by the employee immediately before starting parental leave; or
- if the employee worked part-time because of the pregnancy before starting maternity leave—the position held by the employee immediately before starting part-time work;
- If the position no longer exists but there are other positions available that the employee is qualified for and is capable of performing, the employee is entitled to be employed in a position that is, as nearly as possible, comparable in status and remuneration to that of the employee's former position;
- An employer must make a position to which an employee is entitled available to the employee.
- Under the Queensland Act, there is a further requirement which is not included in the Federal Act which states that if a long term casual employee's hours were reduced because of the pregnancy before starting maternity leave, the employer must restore the employee's hours to hours equivalent to those worked immediately before the hours were reduced.

The current provisions exempt those pregnant employees who, at the time of the birth of their child:

- have not been employed by the same employer for one year;
- are defined as "short-term casuals"; or
- are employed as a contractor, as a seasonal worker or a pieceworker.

As discussed earlier, it may also be appropriate to consider altering the requirement for continuous service with an employer to 6 months rather than 12 months in recognition of trends in the labour market.

It should also be noted that if the benefit were to be paid through the employer, the eligibility criteria for PML and return to work would be able to be aligned and the employment relationship further reinforced.

## **8 Interaction with Social Security and other Government Programs**

Currently a number of social security and government benefits exist at federal level, catering for mothers and families with newborn children. The issues paper identifies the following benefits as relevant: Baby bonus, Family tax benefit A, Family tax benefit B, Child care benefit, Child care tax rebate, and Parenting payment.

The 2003 HREOC report '*A Time to Value*' noted that several submissions had called upon the Commonwealth Government to review its current system of family payments in light of consideration of the introduction of a paid maternity leave scheme. Concern was expressed in relation to the interaction of the various schemes in terms of the effect on the participation of women (particularly mothers) in the labour force. Although HREOC noted that there may be merit in a broad review of family assistance benefits, they cautioned that this should not delay the introduction of a paid maternity leave scheme. The report also recognised the need for government assistance to support the different circumstances of women and their families and noted that none of the existing benefits provided the support required by working mothers in terms of income replacement and maintenance of the employment relationship.

The Queensland Government supports a broad review of the existing family assistance benefits provided by the federal government. The introduction of a paid maternity leave scheme along the lines proposed by the Queensland Government will address the current lack of support for the employment situation of working mothers and their new born babies. Additional benefits should support the differing situations of women and their families and provide further support for working mothers so as to further the objectives identified earlier including the increased participation of women in the labour market.

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## ATTACHMENT 1

Country	Type of Leave	Length of Leave	Payment	Requirements	Funding	Applicati on to both Parents?	Baby Bonus?	Taxable?
United Kingdom	Maternity Leave	<ul style="list-style-type: none"> <li>Statutory maternity leave is for 52 weeks (if leave starts after 1 April 2007).</li> <li>Maternity leave is due to be extended to 52 weeks by 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Statutory Maternity Pay for up to 39 weeks of the leave.</li> <li>90% of average weekly earnings for the first six weeks</li> <li>£112.75 for the remaining 33 weeks (51% of minimum wage)</li> <li>Employers often top-up</li> </ul>	Employee must have been: <ul style="list-style-type: none"> <li>employed by the same employer without a break for at least 26 weeks into the 15th week before the week your baby is due</li> <li>earning an average of at least £87 a week (39% of minimum wage)</li> </ul>	Employers will usually pay SMP in the same way and at the same time as normal wages. Maternity Pay is treated as normal pay so employers must deduct tax and National Insurance.	Mother only by definition	No baby bonus	yes
	Parental Leave	<ul style="list-style-type: none"> <li>13 weeks off work for each child, up to their fifth birthday (or up to five years after the placement date of an adopted child)</li> <li>18 weeks for each disabled child, up to the child's 18th birthday</li> </ul>	<ul style="list-style-type: none"> <li>No payment</li> </ul>	<ul style="list-style-type: none"> <li>must have worked with the same employer for 12 months</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>	Both mother and father		n/a
	Paternal Leave	<ul style="list-style-type: none"> <li>Two weeks. Can't be taken as odd days off, and two weeks must be taken together.</li> <li>May be taken at any time</li> </ul>	<ul style="list-style-type: none"> <li>The amount of SPP is £112.75 or 90% of the employees' average weekly earnings if this is</li> </ul>	<ul style="list-style-type: none"> <li>Employee under contract of service</li> <li>are the biological father of</li> </ul>	<ul style="list-style-type: none"> <li>Employers will usually pay parental leave in the same way and</li> </ul>	Father only by definition		yes

		until the baby is 56 days old.	lower.	<p>the child, or are the mother's husband or partner (including a mother's partner in a same-sex relationship)</p> <ul style="list-style-type: none"> <li>employed by the same employer without a break for at least 26 weeks into the 15th week before the week your baby is due</li> <li>will be fully involved in the child's upbringing and are taking the time off to support the mother or care for the baby.</li> <li>Earn at least £87 a week on average while employed</li> </ul>	at the same time as normal wages. Parental Pay is treated as normal pay so employers must deduct tax and National Insurance.			
<b>Singapore</b>	Maternity leave	<ul style="list-style-type: none"> <li>An eligible female employee is entitled to absent herself from work for four weeks immediately before and eight weeks immediately after delivery, totalling 12 weeks.</li> <li>Where there is a mutual agreement with the employer, the extended four weeks (9<sup>th</sup> to 12<sup>th</sup> week) of maternity leave can be taken flexibly over a six-month period after the child's birth. The employee can consume</li> </ul>	<ul style="list-style-type: none"> <li>Paid 100% of normal salary for 8 weeks, if: <ul style="list-style-type: none"> <li>a) Has been employed for at least 180 days before the date of delivery;</li> <li>b) Has less than two children of her own at the time of delivery:</li> </ul> </li> </ul> <p>In the case of multiple births (e.g. twins, triplets etc) during the first pregnancy, the employer</p>	<ul style="list-style-type: none"> <li>An employee is entitled to maternity benefits if the child is: <ul style="list-style-type: none"> <li>o A Singapore citizen;</li> <li>o Legitimate; and</li> <li>o Is the employee's first to fourth child;</li> </ul> </li> <li>And the employee has worked for the employer for at least 180 days before the child's birth.</li> </ul>	<ul style="list-style-type: none"> <li>Maternity leave is solely funded by employers.</li> </ul>	Mother only	\$3,000 each for your 1st and 2nd child and \$6,000 each for 3rd and 4th child.	yes

		<p>an equivalent of four weeks' worth of working days flexibly, up to a maximum of 24 days.</p>	<p>is still required to pay the next 8 weeks maternity leave; and</p> <p>c) Has given the employer at least one week's notice before going on maternity leave, and informed her employer as soon as practicable of her delivery.</p> <p>Otherwise, the employee is only entitled to half the payment during the maternity leave, unless she can show sufficient cause that prevented her from giving such notice to the employer.</p> <p>If the employee qualifies for government-paid maternity leave under the Children Development Co-Savings Act:</p> <ul style="list-style-type: none"> <li>• She will be paid during the entire 12 weeks of maternity leave.</li> </ul>					
<b>Sweden</b>	Parental Leave	<ul style="list-style-type: none"> <li>• 480 days per child</li> <li>• Each parent must take 30 days, but the remainder is transferable to either parent.</li> <li>• Mother can start taking</li> </ul>	<ul style="list-style-type: none"> <li>• 390 days are paid at 80 percent of the parent's income, up to a given ceiling of €43,483 (2007)</li> </ul>		<ul style="list-style-type: none"> <li>• Funded by social security</li> </ul>	Both mother and father	No baby bonus	yes

		leave 60 days before expected date of birth. <ul style="list-style-type: none"> <li>• Parental benefit may be drawn until the child reaches the age of eight or when the child comes to the end of his or her first year at school.</li> </ul>	figure). <ul style="list-style-type: none"> <li>• The remaining 90 days are at a set daily rate of €19.42 (2007 figure).</li> </ul>					
	Paternity Leave	<ul style="list-style-type: none"> <li>• If you have recently become a father, you are entitled to ten days' leave on temporary parental benefit in connection with the birth of the child. You may take these days within sixty days of when the child comes home from the hospital.</li> </ul>			<ul style="list-style-type: none"> <li>• Social security</li> </ul>	Father only		yes

<b>New Zealand</b>	Parental leave (paid)	<ul style="list-style-type: none"> <li>• maximum of 14 weeks</li> <li>• Can be transferred to a spouse or partner, providing they also qualify for PPL from their employer or are self-employment.</li> </ul>	<ul style="list-style-type: none"> <li>• Payments equal normal pay (before tax) if for employees, or average weekly earnings for the self-employed, up to a current maximum of \$391.28 a week before tax.</li> <li>• self-employed who make a loss or earn less than the minimum wage, for at least 10 hours work a week, receive \$112.50 per week before tax.</li> </ul>	<ul style="list-style-type: none"> <li>• Newborn or adopted child (under the age of six).</li> <li>• for the same employer for the 12 months immediately before the delivery or adoption, and</li> <li>• worked for at least an average of 10 hours a week, including at least one hour in every week or at least 40 hours in every month over a 6 month period.</li> </ul>	<ul style="list-style-type: none"> <li>• Paid from inland revenue</li> </ul>	working mothers and adoptive parents (both male and female)	Means tested 'tax credit' bonus up to \$1200 per child	yes
	Parental Leave (unpaid)	<ul style="list-style-type: none"> <li>• 38 weeks on top of 14 weeks paid leave</li> <li>• Leave can be shared between parents</li> </ul>	<ul style="list-style-type: none"> <li>• unpaid</li> </ul>	<ul style="list-style-type: none"> <li>• must have worked with employer for 12 months prior to leave being taken</li> </ul>	<ul style="list-style-type: none"> <li>• n/a</li> </ul>	Mother and father		n/a
<b>Canada</b>	Maternity Leave	<ul style="list-style-type: none"> <li>• Minimum of 18 weeks unpaid leave from employer.</li> <li>• State funded maternity pay of up to 35 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits usually cover 55% of a claimant's weekly insurable earnings, to a maximum of \$413 per week.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide advance notice in writing of the expected start date of their leave.</li> <li>• worked a minimum of 700 hours in the previous 52 weeks</li> <li>• Must have been in service of their employer for a minimum period of time.</li> <li>• Cannot start leave earlier than 11-17 weeks (depending on state) prior to expectant birth date.</li> </ul>	<ul style="list-style-type: none"> <li>• Paid from national employment insurance.</li> </ul>		'Child Tax Benefit' of \$1255 for first and second child and \$1343 for 3 <sup>rd</sup> child.	yes

<b>Japan</b>	Maternity Leave	<ul style="list-style-type: none"> <li>• 6 weeks pre-birth leave</li> <li>• 8 weeks post-birth leave</li> </ul>	<ul style="list-style-type: none"> <li>• 60% of previous pay</li> </ul>		<ul style="list-style-type: none"> <li>• Health insurance (employees, employer and government contributions)</li> </ul>	mother	No national BB, local governments and large corporations offer baby bonus.	(I cant find info)
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### **Costing for Paid Parental Leave, Australia and Queensland**

The costing is based on the following assumptions:

- PPL will be paid for 14 weeks at the federal minimum wage of \$522.12 per week for a total of \$7,310 (this represents the maximum payable, actual amounts will depend on the eligibility criteria adopted);
- estimates are based on most recent birth statistics of 2006. The number of births has increased by approximately 2 per cent per annum since 2004. Therefore cost estimates for 2008 would need to be increased by approximately 4 per cent and cost estimates for 2009 would need to be increased by approximately 6 per cent.

#### *Australia*

- The detailed costings for Australia are displayed in Table 2. As can be seen, there were some 269,000 births in 2006.
- PPL is costed in two ways. First, it was assumed PPL would be paid to all birthing mothers who were wage and salary earners. This PPL scheme would cost \$1.85 billion..
- Second, it was assumed PPL would be paid to all birthing mothers who were wage and salary and engaged by their current employer for 12 months or more. This PPL scheme would cost \$912 million.
- It should be noted that the figures here represent the maximum amount payable, and would only apply should all mothers receive the full FMW for 14 weeks.

#### *Queensland*

- Costings for Queensland are shown in Table 3. There were some 53,000 births in Queensland in 2006.
- As with the Australian data, two versions of the costing for Queensland were calculated. First, it was assumed that PPL was paid to birthing mothers who were wage and salary earners. This scheme would cost \$233 million.
- Second, it was assumed that PPL was paid to birthing mothers who were wage and salary earners engaged by their current employer for 12 months. The expenditure for such a scheme would be some \$180 million.
- Once again, it should be noted that the figures here represent the maximum amount payable, and will only apply if all mothers receive the full FMW for 14 weeks.

**Table 2: Costing for Paid Parental Leave, Australia, based on 2006 data**

Items	Births, 2006	Estimated births to women in labour force	Costing No.1. Estimated births to female wage and salary earners (83% of labour force)	Costing No 2. Female wage and salary earners working > 1 year with current employer (77%)
<i>Births by age range</i>				
15 – 19	11,184	6,111	5,229	4,026
20 – 24	40,837	29,992	25,339	19,511
25 – 34	160,685	112,863	95,608	73,618
35 – 44	56,696	41,684	35,662	27,460
45 – 54	445	345	295	227
55 – 59		0		
60+		0		
Total	269,847	190,995	162,132	124,842
<i>Costing</i>				
Cost of PPL (\$522.12 @ 14 weeks)			\$1,185,184,920	\$912,000,000

Sources: Econdata, Labour Force; ABS, Labour Mobility, Australian Feb 2006, Cat. No. 6209.0; ABS Births, 2006, Cat. No. 3301.0.

**Table 3: Costing for Paid Parental Leave, Queensland, based on 2006 data**

Items	Births, 2006	Estimated births to women in labour force	Costing No. 1. Estimated births to female wage and salary earners (83% of labour force)	Costing No 2. Female wage and salary earners working > 1 year with current employer (77%)
<i>Births by age range</i>				
15 - 19	2,725	1,806	1,493	1,150
20 - 24	8,913	7,086	5,918	4,557
25 - 34	31,164	22,178	18,365	14,141
35 - 44	9,789	7,336	6,094	4,692
45 - 54	89	69	57	44
55 - 59				
60+				
Total	52,680	38,475	31,927	24,584
<i>Costing</i>				
Cost of PPL (\$522.12 @ 14 weeks)			\$233,386,370	\$180,000,000

Sources: Econdata, Labour Force; ABS, Labour Mobility, Australian Feb 2006, Cat. No. 6209.0; ABS Births, 2006, Cat. No. 3301.0.