

Inquiry into Paid Maternity, Paternity and Parental Leave
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

30 September 2008

Re: Objection to the Proposal for Taxpayer-funded Paid Maternity Leave

Dear Inquiry,

I am writing to object most vigorously to the proposal for taxpayer-funded paid maternity/paternity/parental leave for families with newborn children under a proposal released this week by the Productivity Commission. Not only is it unfair to Australians — like me — who do not have children but also unproductive and unwise at a time of economic slowdown. There are also other reasons outlined below why I wholly object to this plan.

I am one of many Australians who do not have children and the question I am struggling to find an answer to is why I am required to pay for families who have made the choice to have them. While clearly people have a right to have children, citizens and taxpayers do not have an obligation to fund other people's choices. I just don't accept the argument that population growth is in the national interest. Australia — and the world — has enough people. Most population experts have been telling successive governments this for decades.

This new plan is also a slap in the face to other Australians — such as pensioners (like my father) — who have effectively been told in recent months that they can't have any more government assistance. I don't necessarily believe pensioners should get more and more assistance either, unless they cannot sustain their quality of life, but surely extending further welfare support should be balanced to different sections of society.

The plan also comes at a time when the country is clearly not in a position to afford it. National superannuation savings are evaporating from month to month from a sustained stock market and economic downturn — which most economists would concede is not over yet. Not only have the US and the UK economies slipped into recession, but the European Union, Australia's largest trading partner and largest foreign investor, is also slowing. And emerging economies such as China are not going to support Australia's commodities-based economy to the same degree they have in recent years. It seems like the government is spending like the national surplus is a bottomless money pit. The Productivity Commission should more responsible.

What we're talking about with this plan is spending \$450 million of taxpayers' money a year on people who — while they may have cuddly babies — are fundamentally unproductive to the economy. In fact, while seemingly good intentioned, it encourages people to stay at home and out of the workforce. People are perfectly capable of being as resourceful as previous generations in providing for their families. There is a lot of home-based work available in the job market. One of my relatives had a child last year and was more than able — and happy — to get home-based telemarketing work.

Moreover, the policy is a substantial turnaround in the way welfare is provided for Australians. We've been encouraged for decades to provide for ourselves. Self-provision is fundamentally a person's own obligation. It is not the government's role to keep people comfortable. Indeed the welfare system progressively developed in this country throughout the 20th century was intended to stop people unfortunate enough to not have work or means to support themselves from falling into poverty.

There has been a growing emphasis in recent decades towards shifting the responsibility for healthcare, pension and social support from taxpayers to employers. But while this new plan does involve an employer responsibility component, there is a significant taxpayer burden, which is a complete shift in emphasis.

This proposal is unfair, biased, economically unwise, unproductive and poor policy.

Yours sincerely,

Peter O'Shea
Qld