

Worse off than before

A response to the Productivity Commission's paid maternal leave proposal from a potential mum

By Lisa Morrison

While I am pleased to see that paid parental leave is finally likely to be available to all new parents in Australia, it is disappointing to find it proposed at such a basic level. Such a meagre proposition may, in fact, leave some women worse off.

For women currently entitled to paid maternity leave from their employer, having this either replaced by a government version paid only at minimum wage levels for just 18 weeks, and/or having the 'baby bonus' now unavailable to them, means they could very well be worse off. This could have a direct effect on their:

- ability to take time away from work to adequately care for their child
- ability to financially care for their child
- decision to even have a child in the first place.

One can only assume that once the government introduces paid maternity leave, employers will abolish or reduce their own similar schemes. This would leave women much worse off.

Let me explain with an example that is close to my own, with a fictional character called 'Glenda', detailed below.

Glenda's example

Glenda is a part-time worker for a state government organisation. Her employer provides 14 weeks of maternity leave paid at her full current salary. In addition, on the birth of a child, she is entitled to the \$5000 baby bonus from the federal government, which she intends to use as income maintenance to help her take extra time to look after her baby. Glenda also has 12 weeks long-service leave available to her, which she plans to take to look after the baby.

Current arrangement

Type of leave/payments	Value per week	Total value	Equivalent in weeks available to look after baby
Paid maternity leave from employer	\$750	\$10 500	14 weeks
Government baby bonus	\$5000	\$5000	6.5 weeks
Long-service leave	\$750	\$9000	12 weeks
TOTALS		\$24 500	32.5 weeks

Proposed new arrangement

Type of leave/payments	Value per week	Total value	Equivalent in weeks available to look after baby
Government maternity leave	\$543.78	\$9788.04	18 weeks (but this doesn't actually provide enough to replace Glenda's income for 18 weeks, more like 13)
Paid maternity leave from employer	Unknown when new scheme introduced	Unknown	Unknown
Long-service leave	\$750	\$9000	12 weeks
TOTALS		\$18 788	30 weeks But in terms of income it only allows for 25 weeks

So, unless Glenda's employer retains its paid maternity leave scheme, and she can access this *in addition* to the government paid maternity scheme, she is **\$5712 worse off under the new scheme**. She is also **worse off in equivalent time to look after her child by 7.5 weeks**.

While this example does include the big 'if' of whether her employer will simply replace its current paid maternity leave with the government version, it does illustrate the position that this new scheme puts some women in. It may leave them doubting whether they actually have enough time and money available to care for a baby. If they do go ahead, they may now be worse off.

To alleviate this problem and allow women time to care for their children themselves, take some time off before the birth, breastfeed for the recommended minimum time, not end up putting their infant in child care (a big and expensive social problem in the making, in my opinion), a paid maternity leave scheme surely needs to be:

- paid at the woman's current salary so it is genuine income maintenance;
- paid for at least seven months (to allow a month off before the birth too) and preferably longer than one year;
- separate to a 'baby bonus' payment, which was presumably paid as an incentive to have children and to cover some of the set-up costs associated with a new baby.

Please take this opportunity to get it right for women, babies and families more generally now, rather than grudgingly paying the minimum wage for a mere 18 weeks and taking away the 'baby bonus'. Don't leave families worse off.