

SUBMISSION TO THE PRODUCTIVITY COMMISSION DRAFT REPORT

PAID MATERNITY, PATERNITY AND PARENTAL LEAVE

National Council of Women of Western Australia has represented women and families in Western Australia for nearly one hundred years, with over 40 W.A. women's organisations affiliated as well as sixty-two individual associate members. Thus it has the ability to consult and communicate with many women throughout Western Australia. It is non-party political and non-sectarian.

NCW-WA has active Standing Committees in fifteen portfolio areas. Being concerned about the welfare and status of women and their families, it is actively involved in discussions about employment by and of women as well as in the areas of health, child and family, human rights and economics which are particularly relevant in this consideration of paid parental leave. Our members include those employed in small and large businesses, both public and private, those who work part-time, are self-employed and who work voluntarily in NGOs and represent different age groups. (Some of us remember when on marriage we had to resign as teachers and became "mistress on supply" or "mistress on demand". Certainly there was no paid maternal leave granted.)

It is important to understand what the Productivity Commission is proposing in its Draft Report and its objectives, the prime one being the health and wellbeing of the child and mother.

The Fact Sheet about the implications for employers allays some of the misgivings that our members who are women owners of small businesses had with the re-assurance that the scheme is government-funded and has acceptable employment tests – paid parental leave being payable to employees who have been continuously employed (whether with one or more employers) for an average of ten hours or more per week over the 12 months prior to the expected date of birth of the child. It will be available to all who meet this employment test, including fulltime, part-time and casual employees, the self-employed and contractors. It will be payable at the level of the minimum wage of \$544 per week with 18 weeks of paid parental leave plus two weeks of paid paternity leave.

In May 2008 NCW-WA supported this resolution at the National Conference: **NCWA urges the Federal Government to establish a national scheme to achieve a cost-effective system of paid parental leave for Australian families, and for its urgent implementation.** Included in the rationale was the fact that although women in the paid workforce are having babies, getting a balance between parenting responsibilities and work, particularly during the first year of the child's life, is increasingly difficult. We agreed that access to paid parental leave

could not be left to market forces and that public (taxpayer) payments were necessary rather than via an impost on individual businesses.

The Productivity Commission's Draft Report on the National Scheme for Maternity, Paternity and Parental Paid Leave largely covers the concerns which NCW has expressed since the 1960's when we first argued for the right of Australian women to be able to take up to 12 months maternity leave.

The present difficult financial times must not be an excuse for this National Scheme to be side-lined. Our community has waited too long for Australia to catch up with the other OECD countries in recognising that people need to be able to combine their work and family. We note that other OECD countries which give 18 weeks paid leave are U.K., Denmark and Ireland; Hungary gives 24 weeks, Norway gives 52 weeks and Sweden has full parental leave until the child is 18 months. The health and welfare of mother and baby is paramount and their bonding during the first weeks of life can only happen by being together. Thus we emphasise the importance of maternal leave in preference to other forms of "main carer" leave.

Demographically, socially and financially Australia does need more babies, children and young people both now and certainly in the future. Children enrich a community and it is impossible to envisage a society with few young people in it. But the issue of increasing the birth rate does not lie solely in the realm of paid parental leave and it is inadvisable to bracket this automatically together with the choice of women to have a family. We should ask if Government funding to families is well-directed and where it needs to be targeted to assist in the first few months of life. With the various benefits available for those in financial need, and access to free education and health care **all but those first months** are covered. This is surely a strange priority for a nation which currently has over 60% of its population over 50 - whereas Iran has over 60% of its population under 25.

The current global financial crisis must not be used as a constraint on the introduction of a National Scheme of paid maternity/paternity/parental leave. Although not part of a national strategy to overcome the economic crisis, this scheme should be considered in light of current government proposals.

The Productivity Commission has asked for feedback on some specific areas and NCW-WA briefly makes the following comments:

1. Many women work part-time and in industries with no maternity leave cover. 77% of women in the finance and insurance industries have access to paid maternity leave but only 1% of women in the retail sector are covered and 2% in hotels and restaurants. The recommendations in this National Scheme will remedy these deficiencies.

2. The current global financial crisis must not be used as a constraint on the introduction of a National Scheme of paid maternity/paternity/parental leave.
3. The paid parental leave allowance should be taxable as income.
4. Women not in the paid workforce will be eligible for a non-taxable "maternity bonus" of \$5,000 which replaces the baby bonus. NCWA recommends that this be paid in two instalments, the second being 8 weeks after the birth.
5. Entitlements of sick, recreation and long service leave could be accrued so that when the parent returns to work it may be possible to work 4 days, using that leave entitlement for the fifth day if the employer allows.
6. NCW-WA agrees that an "employer of choice" should be able to pay over the government-funded payment.
7. Juniors should get the equivalent of the junior minimum wage and this may need to be monitored over twelve months.
8. NCW-WA believes that the health and welfare of the mother and baby necessitates such provisions as recommended by the Productivity Commission in its Draft Report. It is of utmost importance that from the first days of its life the baby has maternal support and that the mother has opportunity to recover, bond with her baby and enjoy the wonder of new life.
9. Quick reimbursement by the Government of the monies paid is important especially for small businesses. The effectiveness of the process of credit to "pay as you go" withholding payments to the ATO should be monitored to ensure that the role of paymaster is not a burden to the employer.
10. We emphasise the importance of maternal leave in preference to other forms of "main carer" leave.
11. NCW-WA suggests the inclusion of a "job return guarantee" for women taking maternity/parental leave.
12. NCW-WA sees a need for further clarification of self-employment.
13. There is a need for further clarification of superannuation contributions. The use of the word 'capped' with reference to superannuation is a concern because there are employers and institutions already paying a higher level super contribution. There should be a 'no disadvantage' principle at work here.
14. NCW-WA sees the necessity of clear information that clarifies all aspects of the National Scheme, especially with regard to existing entitlements.
15. NGOs could find themselves vulnerable to the extent of factoring in some further financial support from Government to meet their obligations under the National Scheme.
16. The issue about drawing half pay over a longer period needs to be reviewed later.
17. Special consideration needs to be given to women on 457 visas who may not meet the requirements to be eligible for paid parental leave.

18. NCW-WA urges an increase in affordable child care across the broader community, with work-based flexibility to meet the unexpected parental demands when, for example, sickness occurs.
19. We note the value of “mothers’ groups” formed at pre-natal classes which often continue for years as neighbourhood support groups.

Paid parental leave cannot stand alone and it should not be the only response to the complex issue of valuing parents and families. As Professor Fiona Stanley emphasizes, children are our most precious resource. Paid parental leave is crucial as a beginning.

NCW-WA congratulates the Productivity Commission on its Draft Report and urges that the National Paid Maternity, Paternity and Parental Leave Scheme be introduced in the first budget possible.