

TASMANIAN WOMEN'S COUNCIL

INPUT INTO THE PRODUCTIVITY COMMISSION'S REPORT:

PAID PARENTAL LEAVE

Support for Parents with New Born Children

ABOUT THE COUNCIL

The Tasmanian Women's Council is a statewide advisory committee appointed to advise Government on the needs and concerns of Tasmanian women. The Council has developed a business plan around key priority areas for women (such as women and violence, women and work, supporting women in change and empowerment, and women and the environment).

BACKGROUND:

Review of Paid Parental Leave Policies

Australia and Tasmania

Part of the terms of reference required by the Productivity Commission is to examine the current extent of paid parental leave provided by employers in Australia. Attached to this submission is a report on paid parental leave policies within Australia including a snapshot of Tasmanian policies (Attachment A). This section will summarise the statistical data contained in the attachment. All references may be found at the back of the attached report.

In August 2007, it was estimated that 45% (1.8 million) of the four million female employees were entitled to paid maternity leave in their main job. Paid maternity leave entitlements were twice as prevalent for those working full-time, with 60% of full-time female employees having paid maternity leave entitlements compared with 27% of part-time female employees.

Between August 2002 and August 2007, the proportion of female employees entitled to paid maternity leave increased from 31% to 45%. This represents an additional 700,000 female employees with paid maternity leave entitlements.

Paid maternity leave entitlements are much more prevalent in the public sector than the private sector, with 73% of female public sector employees having paid maternity leave entitlements compared with 36% of female private sector employees.

An Australia-wide industry scan showed that selected industries such as government administration and defence, finance and insurance and education had the highest proportion of female employees with paid maternity leave. This reflects the large contribution the public sector makes to these industries.

A small scale Tasmanian industry scan was undertaken in September 2008 by contacting 29 Tasmanian organisations across all industry sectors including: health care; retail trade; education; accommodation; manufacturing; financial services; transport, telecommunications, real estate services, utilities and the public service.

All businesses contacted offered the 52 weeks unpaid maternity leave which is consistent with minimum parental leave provisions in the Tasmanian *Industrial Relations Act 1984* and/or the Commonwealth *Workplace Relations Act 1996*.

Due to the small number of businesses contacted, this information should be considered limited in its scope and is not conclusive. However, some generalisations can be put forward. Based on this snapshot, the trend within Tasmanian industries is similar to national trends regarding maternity leave. For example, industries in Tasmania such as government administration and defence, finance and insurance and education have higher levels of paid maternity leave entitlements.

Similarly, in Tasmania the industries with the lowest proportion of females entitled to paid maternity leave were clustered in the accommodation and food services, reflecting the high concentration of part-time and casual employees in this sector. It was noted that leading businesses that require competitive policies to retain skilled staff have better maternity leave provisions than smaller businesses that may not have the financial resources to do so.

Paid maternity leave ranged from 0-14 weeks. Seven out of the 29 organisations contacted provided some form of paternity leave. Of these, the majority offered one week paid paternity leave.

As the Productivity Commission reported, only about half of employed mothers are currently eligible for paid parental leave. That means that 50% of employed mothers either need to return to work as quickly as possible, resign from their workplace or privately provide financial resources in order that they may take leave to care for their newborn child.

GENERAL COMMENTS

The Council is concerned about recent comments made in the media relating to removing paid parental leave from the government agenda, particularly at a time when the Prime Minister's policies concern instilling confidence in the community and putting in place initiatives for productivity. Paid parental leave achieves both of these aims.

The Council considers that employment policies which support better work-life balance are an important key in raising productivity. Implementing strategies which enable women more flexibility in employment so they can better combine their caring roles with paid employment, creates better productivity and a better economy. With that in mind, the paid parental scheme initiative should be a federal government priority, particularly now in the midst of the global financial situation. Additionally, the Productivity Commission's proposed paid parental leave scheme only amounts to a 2% increase in existing outlays by government on family assistance benefits.

As many noted in their submissions to the Productivity Commission's first report, Australia and the United States are conspicuous among OECD countries in not offering a publicly funded parental leave scheme. Now is the time to address this issue.

ADDRESSING THE RECOMMENDATIONS

The Tasmanian Women's Council wishes to address each of the recommendations proposed by the Productivity Commission.

DRAFT RECOMMENDATION 1

The Australian Government should introduce a statutory paid parental leave scheme that provides:

- **paid leave capped at the adult minimum wage for each week of leave for those covered by adult minimum wages**
 - **but with lower rates — to be set administratively — for juniors and others with hourly wages below the adult minimum**
- **payments to be taxed and included in income for assessment of any welfare benefits**
- **leave benefits for parents having twins or higher multiple births to be equal to those for parents bearing one child, supplemented by a payment equivalent to the new maternity allowance for each additional child (draft recommendation 6)**
- **superannuation entitlements calculated on the going wage of the employee or at the relevant capped amount, whichever is the smaller, but**
 - **this would only be available for employees who (a) have met the Commission's eligibility criteria for paid parental leave under draft recommendation 4; (b) were entitled to employer superannuation contributions in their jobs before taking paid parental leave; and (c) were entitled to unpaid parental leave under the National Employment Standards**
 - **super contributions would be limited to the statutory 9 per cent rate**
 - **subject to its practical feasibility, including consideration of its compliance and administrative costs.**

Introduction

The Council considers the key purpose of the paid parental leave scheme is the health and well-being of the newborn child and its mother. The needs of the baby and mother are of paramount importance in order to establish and maintain bonding and allow the mother to provide the maternal care so vital to a new born baby.

Another objective is for paid parental leave to be seen as any other normal paid leave entitlement thereby retaining women's lifetime attachment to the workplace.

The Productivity Commission asked for specific feedback with regard to whether employees on paid parental leave should be eligible for accrued leave entitlements. As pointed out, one of the

social policy objectives of a paid parental leave scheme is to send a signal to the community that such leave is a standard employment entitlement. It follows then that employees should be eligible for accrued leave entitlements such as accrual of recreation, long service leave and sick leave.

The Council considers replacing the existing baby bonus with an equivalently-valued, non-income tested maternity allowance to be appropriate.

On 10 November 2008, the Council held a public forum in Hobart in partnership with the National Foundation for Women and Security4Women. Participants at the forum made the point that there ought to be a cap on the amount of sick leave the mother can take as when she returns to work (and the baby is cared for by others) she may invariably need to access sick leave, at a later time.

Adult Minimum Wage and Taxation

Although the Council would prefer paid parental leave to offer full replacement wages for working mothers, we understand the cost implications for tax payers are such that this type of scheme would probably be rejected on financial grounds.

The Council considers it appropriate that payments be taxed and included in income for assessment of any welfare benefits.

Leave Benefits for Multiple Births

The Council considers it appropriate to provide leave benefits for parents having twins or higher multiple births to be equal to those for parents bearing one child. As discussed in the introduction, it is more about the overall length of time of paid parental leave being enough for the health and well-being of mother and newborn/s. The Council is pleased that the Commission has proposed a supplement for parents of multiple births equivalent to the new maternity allowance for each additional child recognising the added costs involved for each additional child.

Superannuation

With regard to superannuation, although the Council has some concerns about the burden that may be placed on some small businesses (which is expressed in response to recommendation 2), it is imperative that superannuation entitlements be available to eligible female employees.

A report prepared by the Women's Advisors Meeting Working Group on Superannuation and Financial Literacy entitled *Effectively communicating superannuation and financial literacy messages to women during their different life-stages*, reports that 50% of women who will retire within the next 10 years, or who have retired, will have less than \$20,000 in superannuation. Twenty per cent will have less than \$5,000. The average superannuation balances of women are lower than those of men. On average, when women retire from the paid workforce they will have half as much superannuation as men.

The low levels of superannuation is reflected in the fact that women spend less time in the paid workforce than men and are more likely to have interrupted career patterns due to caring responsibilities.

DRAFT RECOMMENDATION 2

The Australian Government should fund the cash component of the paid parental leave scheme, partially offsetting these costs by:

- **removing eligibility for family tax benefit B while parents are on paid parental leave**
- **replacing the baby bonus with another, differently focused payment as set out in draft recommendation 6.**

Employers should fund superannuation contributions during the paid parental and paternity leave period, but only under the conditions specified in draft recommendation 1.

Cash Component

The Council is pleased with the recommendation for the Australian Government to fund the cash component of the paid parental leave scheme. Putting such a burden on business would place many at financial risk and increase the likelihood of discrimination against women of childbearing age.

The Council considers the proposal to partly finance the leave scheme through changing other family payments such as the baby bonus and family tax benefit B is fair and would ultimately mean that women are better off financially following the birth of a child.

Superannuation

While the Council considers it imperative that eligible women be paid superannuation while on paid parental leave, it is concerned that very small business employers may find it difficult to fund superannuation contributions. For them, the costs may be significant. If this is so, there is a possibility that this could lead to indirect discrimination of women of child bearing years. While the Council realises that small businesses would indeed benefit from the paid parental leave scheme, as they could offer entitlements similar to larger organisations, the immediate impact of having to fund superannuation may place some businesses in financial difficulty. The Council would prefer that the Productivity Commission consider alternatives or assistance for very small businesses (businesses with less than 20 employees).

DRAFT RECOMMENDATION 3

The employer should initially make payments to employees under the statutory parental leave scheme, with subsequent reimbursement by the Australian Government. However, an employer would only act as a paymaster for government where:

- **an employee was also eligible for unpaid parental leave under the National Employment Standards and**
- **a workable method for speedy reimbursement of that employer was feasible**
 - **the Commission’s preferred approach is for employers that make at least monthly ‘pay as you go’ withholding payments to the Australian Taxation Office to receive reimbursement through those payments, with all other employers exempt from the obligation to act as a paymaster.**

The Australian Government should pay other eligible parents directly, preferably through a non-welfare agency.

While the Council considers it appropriate for the employer to act as paymaster for eligible employees (thereby increasing the attachment of the employee to the workforce), the Council is concerned that many small businesses may find it financially difficult to manage the period between making the parental leave payment and receiving reimbursement through the PAYG withholding system. The Council would like the Productivity Commission to investigate the impact on small business if they were to pay parenting leave and then wait to be reimbursed in the subsequent withholding period.

While the Council agrees the employer should act as paymaster, the Council would like to make sure that a ‘workable method for speedy reimbursement’ is ensured so that no hardship was placed on small business – which could lead to indirect discrimination of women of childbearing age.

DRAFT RECOMMENDATION 4

The statutory paid parental leave scheme should be available for an employed parent (including the self-employed and contractors):

- **who has worked an average of at least ten hours a week on a continuous basis for 12 months or more prior to the expected birth date of the baby, and**
- **who is also the primary carer of their baby.**

The Council is pleased that the proposed scheme includes self-employed and casual employees as it is these employees who return to work sooner than all other categories of employees. As the Productivity Commission’s first report stated, some women return to work weeks and even days after giving birth.

While the Council agrees that the eligibility requirements for paid parental leave reflect the need for the leave to apply to parents with an ongoing attachment to the workforce, the Council has concerns about the Commission’s proposed qualifying period being “an average of at least ten hours a week on a continuous basis for 12 months”.

The Council considers a qualifying period of ten hours work per week to be an arbitrary number of hours not reflecting women’s work patterns. Many women work one day per week – particularly

women who already have parental responsibilities. Making the qualifying period ten hours means such women will be ineligible for paid parental leave. The Council considers it more appropriate to make the qualifying period an average of seven hours per week (one day per week) on a continuous basis for 12 months to better reflect the work patterns of women with caring responsibilities.

At the Council's public forum some participants made the point that the definition 'of at least ten hours a week on a continuous basis for 12 months' needs to be broadened. A teachers aide, for example, doesn't get paid during the summer holidays – unlike their teacher colleagues. Their eligibility may be affected. So too will seasonal workers who only work for certain months of the year. Consideration should be given to those who do not work 'ten hours a week for 12 months' but who are attached to the workforce but do not work in 'off-peak' periods.

Other participants at the forum considered that working on a continuing basis for six months, rather than twelve, should be considered. They gave the example of mothers who may have only recently returned to the workforce after taking leave with their first child, and who fall pregnant with their second.

DRAFT RECOMMENDATION 5

The paid parental leave scheme should give:

- **eligible mothers the initial parental leave entitlement, but allow them to transfer the entitlement to eligible partners who take on the role of the primary carer**
- **fathers (and other eligible partners) a two week period of exclusive paternity leave on a 'use it or lose it' basis, even if the mother was not eligible for statutory paid parental leave**
- **fathers access to paid parental leave if the mother is not eligible, but only where (a) the fathers meet the employment and primary carer eligibility requirements and (b) there are special circumstances, which would be determined administratively.**

As stated in our introduction, the Council considers the key purpose of the paid parental leave scheme is the health and well-being of the newborn child and its mother. However, the Council realises that paid parental leave is not a 'one size fits all' model and that different women have differing requirements after the birth of their child. It may well suit the mother and father to transfer the role of primary carer to the father (or same sex partner) at some point during the 18 weeks, allowing the parents to share the caring responsibilities.

The Council would see a benefit in adding to this clause so that parents could share the care for the child on a part-time basis. The example given by the Productivity Commission is where the mother might take leave for four days a week and the father for one day. Such flexibility in caring arrangements would allow parents to manage the caring responsibilities according to their own requirements.

As stated in the overview in the Productivity Commission's report, paternity leave not only has emotional benefits for fathers, it also positively affects children's emotional and educational achievement and provides support for the mother. It also sends a clear signal to the community

that paternity leave is a normal leave provision. The Council is pleased that a two week period of paternity leave is included in the paid parental leave scheme.

At the public forum held by the Council, participants stated that the 'primary carer' definition should be made clearer, taking into consideration indigenous communities where an 'Aunty' may look after the baby.

DRAFT RECOMMENDATION 6

The existing baby bonus should be replaced with an equivalently-valued, non-income tested maternity allowance, payable only to those parents not using statutory paid parental leave (with the exception of multiple births as set out in draft recommendation 1).

However, where a parent takes a shortened period of paid parental leave whose value is less than the maternity allowance, the parent would be entitled to a payment equal to the difference.

Women who are not in the workplace require financial support after having a child. The maternity allowance is in recognition that the community expects and supports such a benefit.

As to the dollar benefit of the maternity allowance, the Productivity Commission itself reported that Australia's tax and transfer system recognises that different families have different needs: "in particular, for a family with one 'stay at home' parent...obtains generous family tax benefits and other payments that - over a lifetime - exceed those of other families. This is appropriate given their income circumstances and it recognises that caring for children is a valued activity."

Employed mothers pay significant taxes. While employed mothers/parents do receive tax benefits such as the childcare rebate, they overall receive fewer benefits over their lifetime than families where one parent does not work.

Given this, and in recognition that one of the social policy objectives of the paid parental leave scheme is to send a clear signal to the community that such leave is a standard employment entitlement, the Council considers replacing the existing baby bonus with an equivalently-valued, non-income tested maternity allowance to be appropriate.

The Council agrees with the proposal whereby parents who need to interrupt statutory paid leave (e.g. to return to work for whatever reason) but earn less than the maternity allowance, be entitled to a payment equal to the gross difference.

DRAFT RECOMMENDATION 7

The statutory paid parental leave scheme should provide a total of 18 weeks of paid leave for parents of a newborn child who meet the employment test, including:

- a requirement that (a) the period of leave must commence at birth, or after a period of other continuous leave that commences at the birth of the child; (b) must be commenced within six months of birth; (c) leave must be taken in one block; (d) only one transfer of paid parental leave between parents would be permitted and (e) there be no concurrent use of paid parental leave by parents
- mothers of a stillborn baby, where the baby meets the requirement for birth registration
- parents of non-familial adoptions, regardless of the child's age, from the time of placement
- custodians of surrogate children, but subject to its compatibility with an impending uniform framework for surrogacy across Australian jurisdictions, (with provision for 12 weeks of paid parental leave to the surrogate mother).

Parents could take any paid parental leave remaining if their baby died.

Any outstanding leave could be transferred to the partner if the primary carer died.

Paternity leave could be taken concurrently with the mother's paid parental leave but would have to be taken within six months of the birth of the child.

As reported by the Productivity Commission, research tell us that care by non-parents in the first 6-12 months of a baby's life may lead to delayed cognitive development and behavioural problems for some children.

The time to be able to establish breastfeeding is most important to the baby and mother. Research shows that babies benefit immensely from breastfeeding and maternal care. Mothers also benefit from a faster recovery from birth along with the crucial bonding between mother and child. The Australian Breastfeeding Association recommends that government sponsored paid maternity leave should be available at an adequate level for all women for the first six months of the baby's life, to enable and support exclusively breastfeeding to 6 months in line with national and international (WHO and ILO) recommendations on infant feeding.

The recovery of the mother following birth and the bonding of the new born baby with its parents takes considerable time. Individual babies have different needs just as mothers' experiences of childbirth and their recovery time differ immensely. As documented in the Productivity Commission's draft report, the amount of time or paid parental leave considered optimal can vary. However, most agree that six months is a minimum amount of time women should be eligible to take following childbirth.

Given that the Productivity Commission's recommendation is 18 weeks and research tells us that the majority of women will be able to use other forms of leave to stretch this out to 6 months (and beyond), the Council considers the 18 weeks of paid leave for parents of newborn children appropriate at this time. The Council, like the Productivity Commission, is of the view that most 'employers of choice' will keep their existing programs which means many women could access paid parental leave far beyond the six months. This seems to have been the New Zealand experience.

The Council is pleased to note that the Australian Government intends to introduce the right for employees to request additional unpaid parental leave of up to 12 months, giving a total maximum of two years unpaid leave.

Of course, only those women who are financially able to will be able to take up the option of two years unpaid parental leave. ***Therefore, the Council would like to see in future the possibility of extending the paid leave component beyond the 18 weeks so that most women may have the opportunity to have 1-2 years leave, should they choose, following the birth of a baby.*** The Council considers that this proposition should be considered as part of the Governments review process – noted in recommendation 12.

The Council considers it appropriate that the leave be continued or transferred for mothers of stillborn babies; parents of non-familial adoptions; custodians of surrogate children; death of a baby and if the primary carer died.

The Council also considers that the ability for the father to take leave concurrently with the mother's paid parental leave is important so that the father may support the mother, as well as bond with the baby.

At the Council's public forum, participants all agreed that 18 weeks paid parental leave is a good start, but they unanimously decided that this should be reviewed and increased to beyond 18 weeks (preferably to 24 weeks in line with the European Union) as soon as possible.

DRAFT RECOMMENDATION 8

When the National Employment Standards are next subject to revision, the Australian Government should amend:

- **section 21 to require an employee on parental leave to provide six weeks' notice for an extension to leave, unless an employer agrees to a shorter period**
- **section 15 to provide job return guarantees to adoptive parents equivalent to natural parents.**

The Council agrees with the proposal that the Australian Government should amend the National Employment Standards so that an employee provides six weeks' notice for an extension to leave and to provide job return guarantees to adoptive parents which are equivalent to natural parents.

Many women on maternity leave find they need to change their return to work date for various reasons. It is vital that this clause be included. The Council considers six week's notice to extend leave enough time for women to make this decision.

The Council agrees that job return guarantees to adoptive parents should of course be the same as for natural parents.

DRAFT RECOMMENDATION 9

In addition to publicly provided information on the workings of a statutory paid leave scheme, the Australian Government should provide:

- **evidence-based advice to employers on how to reduce the disruption burdens associated with increased average durations away from work by carers, with this information especially directed at small business**
- **a web-based calculator that shows which employees would be eligible and sets out any obligations by employers.**

Some parties will no doubt criticise the Productivity Commission's recommendations on the basis that too much of a burden will be placed on business. Thus, Council considers that these measures are appropriate and will be helpful in assisting business with the implementation of new practices around paid parental leave.

A web-based calculator for employers showing which employees are eligible and assists with employers obligation will be a helpful tool for business.

DRAFT RECOMMENDATION 10

A paid parental leave scheme should include:

- **a 'keeping in touch' provision that — subject to employer and employee consent — allows the employee to work up to 10 days while on paid parental leave, where that work strengthens the connection to their workplace**
- **scope for eligible self-employed parents to maintain some oversight of their businesses while on leave.**

The Council fully supports this initiative which is employed in the United Kingdom. The attachment to the workplace is very important for mothers particularly toward the end of their parental leave when they are preparing to re-enter the workforce. Such a scheme allows them to settle back into their jobs thereby improving employee retention.

The New Zealand provision whereby self-employed/employers can 'keep in touch' with their business is also of value to those on paid parental leave.

DRAFT RECOMMENDATION 11

The Australian Government should provide more resources to allow effective support for breastfeeding during the first six months of an infant's life, with a focus on the post-initiation stage.

The Council considers this measure very important for the health and well-being of the mother and infant. According to the Australian Breastfeeding Association, there are many benefits for mother and baby in breastfeeding. For the baby, these include:

- protects the baby from illness and infection
- provides the correct food for the growing baby
- aids the development of the baby's eyesight, speech and intelligence
- promotes a special loving bond between mother and baby

For the mother, the benefits include:

- women who have not breastfed their babies have an increased risk of cancer of the breast and ovaries, heart disease and osteoporosis
- helps the mother's body to return to its pre-pregnant state more quickly. Many women also find they lose excess weight while breastfeeding

As noted by the Commission, only two thirds of Australian mothers still breastfeed their babies at three months of age. While the Australian Breastfeeding Association and child health clinics around Australia do a wonderful job to encourage and support mothers who breastfeed, many women who are breastfeeding cannot continue to do so once they return to work. Providing more resources in this area, concurrent with paid parental leave will no doubt have a great impact on encouraging and supporting women who breastfeed.

DRAFT RECOMMENDATION 12

The Australian Government should undertake:

- **ongoing assessments of the interaction of the paid parental leave scheme with the tax and welfare system**
- **an evaluation of the administrative aspects of the scheme two years into its life**
- **a comprehensive evaluation of the impacts of the scheme five years into its life.**

As with any new initiative, ongoing evaluation and assessment is vital to its success. The Council would like to see the Australian Government investigate the length of time most women are able to take as leave following the birth of a baby. The Productivity Commission has made the assumption that 50% of women will be able to take at least nine months of leave using a combination of paid parental leave and other provisions. The Council is interested in whether this assumption eventuates.

As previously stated, the Council would like to see the paid parental leave scheme extended beyond the 18 weeks so that the majority of women are able to take one to two years of **paid** leave following the birth of a baby. As many respondents to the Productivity Commission's first report on paid parental leave pointed out, "an extended period of leave is the most important investment that governments can make to support child wellbeing and development" (Productivity Commission, *Paid Parental Leave*, p 4.30)

HOBART FORUM

Productivity Commission Inquiry: Interim Report on Paid Parental Leave

The Tasmanian Women's Council in partnership with the National Foundation for Australian Women and Security4Women held a forum on paid parental leave on 10 November 2008 at Women Tasmania, Hobart.

Commissioner Angela MacRae from the Productivity Commission was a guest speaker at the forum. Thirty-three people attended.

Participants were asked a series of questions developed by the National Foundation for Australian Women. Below is a summary of issues arising from small group discussions in response to those questions.

1. Are you in favour of paid maternity leave for mothers?

- All groups were overwhelmingly in favour of paid maternity leave for mothers.

2. Are you in favour of paid leave for fathers? Should it be a separate entitlement or shared between parents?

All groups were in favour of paid leave for fathers. One group made the point that parenting should be shared and there were benefits in having a separate entitlement for fathers.

3. Who should be included?

- a. **Casual employees, permanent, self employed, contractors, mothers outside the paid workforce, other?**
- b. **What recent employment record, if any, should be the criterion for eligibility?**
- c. **Should adopting families be treated the same way?**

- a. One group responded to this by stating that the 'casualisation' of the workforce has benefited many women who are trying to juggle both work and family life. However, casual employees tend to miss out on a range of benefits and leave entitlements such as sick and annual leave. They thought it was encouraging that the draft report on *Paid Parental Leave* included women who work ten hours or more per week, which will encompass many women who work on a casual basis. However, this definition needs to be broadened. A teacher's aide, for example, doesn't get paid during the summer holidays - unlike their teacher colleagues. Similarly, how does it affect seasonal workers? A suggestion was that one of the eligibility criterion should be how many hours a woman has worked per annum at the same workplace.
- One group said that the definition of 'principal carer' should be clearer, taking into consideration Indigenous communities where an 'Aunty' (i.e. extended family member) may look after the baby.

- **b.** One group said that consideration should be given to women who work less than 10 hours per week as many women only work one day (7-8 hours) per week.
- One group said that the eligibility criterion should just be that the employee has had 'substantial connection to the workplace'. This group also thought that six months of continued employment, not twelve, should be considered as this would take into consideration mothers who may have only recently returned to the workforce after taking leave for their first child, and have fallen pregnant with their second.
- **c.** All groups thought adoptive parents should be treated the same way.

4. What about those with stillborn children or those whose baby dies?

All groups thought that the parental arrangements should include those with stillborn children or those whose baby dies. One group made the comment that the mother 'needs time to recover'. Another group said that the mother needed 'appropriate time for grieving'.

5. What duration of paid leave do you think is appropriate?

There was unanimous agreement in all group discussions that the duration of 18 weeks parental leave is a good start. However, this period should be reviewed and increased to beyond the 18 weeks. One group thought that ideally, the duration of leave should be increased to 24 weeks, in line with the European Union. This group also thought that unpaid parental leave should be extended to two years.

6. The start date – should it allow for time off before the birth? Should it be able to start later than the six months cut-off proposed by the Commission?

All groups thought that the period of paid parental leave should begin prior to the birth. Some suggested 2 weeks before.

7. Should people be able to use sick leave, recreation leave or partly accrued long service leave to extend the period of paid leave? In your experience will low income women especially have enough accrued leave to bring their period of paid leave up from the 18 weeks to the six months accepted as the desirable minimum?

All groups thought that employees should be able to accrue other leave entitlements. However, some thought that there ought to be a cap on the amount of sick leave the mother can use. The rationale for this is that when the mother returns to work (and the baby is in care) she will invariably need access to sick leave/time off.

Another group made the point that some low income women may not be able to take six months leave and some consideration should be given to these women.

8. What level of payment is appropriate, eg minimum wage, replacement, replacement capped at a certain level, other?

Most participants agreed with the Productivity Commission's proposal of using the minimum wage. One group made the point that paid parental leave should be able to be taken by women at half pay (e.g. 36 weeks at half pay).

9. Do you think it should be means tested?

Most groups thought it should not be means tested because of the desire to keep all women in the workforce, regardless of their income. Another group stated that means testing is counter-productive to the intention of the report. Another group said that because paid parental leave is taxed, there is no need to means test.

10. How do you think the leave should be funded?

- a. **Government only,**
- b. **Employer should pay**
- c. **Government with an employer top-up**
- d. **Government and a levy on all employers, or Government and a levy on both employers and employees**
- e. **HECS style loan, repaid by parent later, or special savings accounts**
- f. **Other and if so, what?**

All groups agreed with the Productivity Commission's proposal of having a government funded scheme. One group suggested that the employer top-up should be negotiated between the employee and employer. All groups disagreed with the idea of a HECS style loan citing this would only provide a financial burden for families later on.

11. How should 'self-employed' be defined?

All groups thought 'self-employed' should be broadly defined and that every 'citizen should have access to this income'.

12. Should the leave be able to be taken part-time? In more than one period?

One group suggested that split leave should be introduced. This group stated that some women are having children at a later age and cannot afford to have the required 12 month gap between their children. This group suggested that those women may like to take half the leave for their first child and the rest for their second.

13. What would be the effect on employers of parents extending their leave?

One group thought that this should be negotiated between the employee and employer. Another group said that this isn't an issue for larger employers who are used to employees being on leave and already easily manage these processes. However, they thought it would be more of a challenge for smaller employers.

14. What other Government policy changes should be made, along with or complementing the proposed scheme?

All groups said that there should be a national review of child care. One group thought that child care should be community based. They thought the downfall of the ABC Learning Centres is a prime example of how a community asset should not be 'owned' by global markets.

15. Should other forms of leave (sick, recreation, long service) accrue while the employee is on paid parental leave?

All groups agreed that other forms of leave should accrue.

16. Should employers be required to continue to pay super entitlements?

All agreed that employers should be required to pay super entitlements.

17. Should a Government funded scheme be paid through employers or direct by Government, eg Centrelink?

One group thought that the government should pay if there was an impost on very small businesses. Another group thought that the employer should pay. Another point was put forth that it is 'deceitful' for the employer to pay as the leave is tax payer funded and should be paid by the government in recognition of this.

18. Should small-medium employers receive a payment to compensate them for the costs of short-term replacement hiring? If so, how much?

Many participants thought that this payment shouldn't occur as it isn't done now for other forms of leave. However, one group thought consideration should be given to very small businesses.

19. What are the implications of the Commission's proposal for breastfeeding?

One group thought it would encourage provision of appropriate facilities. Most groups spoke of the benefits of breastfeeding for both mother and baby and thought this would assist in increasing the number of women breastfeeding and the length of time that they breastfeed.

20. What are the implications for the health and wellbeing of the mother and child?

All comments were positive although one comment was made that 18 weeks should be the absolute minimum and this should be increased over time – after a review.

- 21. Would you support the option of an income contingent loan in addition to the Commission's recommended scheme? (A loan where the parents did not have to start repaying until their income reached a certain level).**

Most participants did not support this suggestion. One group thought that this may encourage further debt and discourage people from working. Another group said that if this went ahead it would need to be an interest free loan but said it is not a preferred model as debt is a significant destabilising factor for many families. However, one participant indicated that access to a Centrelink no-interest loan scheme may be useful for low income people.

**The Council would like to thank
the Productivity Commission
for this opportunity to comment
on the proposed paid parental leave scheme.**