

<p style="text-align: center;">INDEPENDENT EDUCATION UNION OF AUSTRALIA</p> <p style="text-align: center;">SUBMISSION TO PRODUCTIVITY COMMISSION</p> <p style="text-align: center;">PAID PARENTAL LEAVE –</p> <p style="text-align: center;">SUPPORT FOR PARENTS WITH NEW BORN CHILDREN</p> <p style="text-align: right;">November 2008</p>
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1. Executive Summary

1.1 The IEUA strongly supports the establishment of a national system of paid support for the primary care giver.

1.2 The IEUA acknowledges the recommendation for 18 weeks paid parental leave as a positive minimum standard. However, IEUA supports 26 weeks (6 months) as the more appropriate quantum for paid leave to provide support and care for mother and child.

1.3 The IEUA supports the recommendations for two weeks paid paternity leave and the transfer of paid parental leave entitlement between eligible partners, as positive initiatives in support for the role of the partner/alternative care giver.

1.4 The IEUA supports a paid parental leave scheme which combines government and employer contributions to ensure full income replacement for the parental leave period. The IEUA calls on the Federal Government to explore further arrangements of tax breaks and/or other incentives for businesses who supplement the government paid maternity/parental scheme to provide for full income replacement to employees accessing the paid scheme.

1.5 The IEUA supports the inclusion of superannuation into the paid parental leave scheme and calls for employer contributions to superannuation to be made at the rate payable immediately prior to the employee commencing leave.

1.6 The IEUA recommends that the employment test for eligibility of a paid parental scheme reflect the working reality of mothers and be amended to one day per week (or equivalent).

1.7 The IEUA also has concerns regarding the inconsistencies between the qualifying criteria under NES for unpaid parental leave and the eligibility criteria for the national paid leave scheme. The IEUA recommends that the NES unpaid leave standard be aligned to the national paid leave standard.

1.8 The IEUA strongly supports a recommendation for the paid parental leave scheme to commence after a period of employer paid maternity leave. This could be seen as an mechanism for preserving existing parental leave entitlements which have been attained through workplace bargaining. However, the IEUA seeks the specific preservation through legislation of any employer paid parental leave period achieved through workplace negotiations from being discounted by the government paid scheme.

1.9 The IEUA expresses concerns regarding the limitation of commencing paid leave scheme within six months of the birth of a child. Such a recommendation limits

the options available to parents to spread paid leave entitlements over longer periods. The IEUA calls for the removal of the requirement to commence the paid leave scheme within six months of birth.

1.10 The IEUA supports the employer initially making payments to employees, with subsequent reimbursement by the Australian Government. Such a recommendation provides for a practical mechanism in administering the paid leave scheme, allowing for the method and timing of the payment to replicate as far as possible the employee's pay arrangements at the time of commencing leave.

1.11 The IEUA calls for the paid parental leave under the national scheme to be recognised as service and as such provides for the accrual of all leave entitlements and incremental salary progression.

1.12 The IEUA supports the recommendation regarding breast feeding facilities and seeks to have it expanded to include support for flexible return to work options such as work breaks, open access to job share and part time provisions, particularly for management roles.

1.13 The IEUA commends the Productivity Commission for its draft report on Paid Paternal Leave – Support For Parents With New Born Children

2 Introduction

The IEUA is the federally registered union representing over 65,000 education professionals (teachers and other education staff) in the non-government education sector, over 70 per cent of whom are women. The IEUA is responsible for negotiating awards and agreements which include the provision of entitlements such as parental leave, family leave, carers' leave and maternity leave. These are entitlements which are central to a worker's capacity to balance their work and family commitments.

In preparing this submission, the IEUA Women's Committee has drawn upon the experiences of many of our members who have contacted our Union with concerns in relation to pregnancy and work. The submission is also informed by the process and outcomes of negotiations with non-government employers in relation to the inclusion of paid maternity leave into Enterprise Agreements. As well as this submission, we draw upon the IEUA's initial submission to the Productivity Commission in June 2008 with regard to the inquiry into paid maternity, paternity and parental leave.

The IEUA strongly supports the establishment of a national system of paid support for the primary care giver funded by government and employers and welcomes the release of the draft report from the Productivity Commission inquiry.

The Productivity Commission's draft report seeks to establish for Australian working families the reality that paid paternal leave is an essential community issue which must be supported by government and employers.

The report acknowledges that parenting in a contemporary family setting is a shared responsibility and further recognises the role of the partner/alternative care giver acting as the primary care giver.

This draft report represents a positive and significant foundational change in defining what constitutes parenting and what is essential for support of parents and their newborn.

IEUA welcomes the opportunity to comment on the draft report.

3 Response to Draft Report

3.1 Introduction of a national system of paid support for the primary care giver

The IEUA strongly supports the establishment of a national system of paid support for the primary care giver.

Substantial national and international research exists which demonstrates that a nation's economic and social interests and strategic competitive edge for business are advanced by ensuring that fair and just public policy exists for women in the workforce.

As such the IEUA endorses the Productivity Commission's three broad reasons for the introduction of a paid leave scheme as follows:

- *The improved wellbeing of families, and in particular child and maternal health, associated with an extended period of absence from work around the birth of the baby and secure financial support during this period.*
- *In the face of the incentives against work provided by the social welfare and tax system, encouragement of women of reproductive ages to maintain their lifetime attachment to the workforce.*
- *The expression of emerging community norms that taking time away from the paid workforce to care for an infant is a normal part of life and work for many people, including fathers, and should be explicitly recognised¹*

3.2 Duration of paid leave

The IEUA acknowledges the Productivity Commission's draft recommendation 2.7 which calls for the introduction of a statutory paid leave scheme of 18 weeks. This is a welcomed first step towards building support for parents and their newborn child.

The period of absence from work after birth is of the utmost importance to the health of the mother and the infant. This is conducive to both the optimal growth of the infant and the bonding between mother and infant. Absence from work also allows the mother to recover.

One of the main impacts of parental leave is on the time a mother takes away from work to recover from the birth, bond with her baby, breastfeed and monitor the baby's welfare. The time needed depends on the mother's health before, during and after birth, as well as on the health of the infant. After delivery, maternal health problems may arise. Breastfeeding is also a major determinant of infant health. There is ample evidence on the advantages of breastfeeding and the wellbeing of the child and mother. The WHO statement to the International Labour Conference in June 2000 had demonstrated evidence to support longer absences of up to 6 months from work to care and support child and mother.

¹ Australian Government: Productivity Commission. Paid Parental Leave, Support for Parents with New Born Children. Draft Report 2008.

The IEUA acknowledges the recommendation of 18 weeks paid maternity leave as a positive minimum standard. However, IEUA supports 26 weeks (6 months) as the acceptable and more appropriate length of time for paid leave to provide support and care for mother and child.

3.3 Paid paternity leave and transfer of paid leave between primary care givers

The IEUA acknowledges the Productivity Commission's draft recommendation 2.5 in regards to providing "*fathers (and other eligible partners) a two week period of exclusive paternity leave on a "use it or lose it" basis*". Further, the recommendation provides for the *transfer (of) the entitlement to eligible partners who take on the role of the primary carer*.

These are positive initiatives which recognise and support the contemporary family setting.

IEUA supports the recommendations for two weeks paid paternity leave and the transfer of paid leave entitlement between eligible partners, as positive initiatives in support for the role of the partner/alternative care giver acting as the primary care giver.

3.4 Payable entitlement and employer contributions to superannuation

The IEUA acknowledges the Productivity Commission's draft recommendation 2.1 which calls for the introduction of a statutory paid leave scheme *capped at the adult minimum wage for each week of leave for those covered by adult minimum wages – but with lower rates for juniors and others with hourly wages below the adult minimum wage*.

The primary objective of paid maternity/parental leave must be seen as providing financial support to a mother during the prenatal and early developmental stages so that she can recover physically and psychologically while establishing feeding and parenting routines and emotional bonding.

The IEUA strongly believes that paid maternity/parental leave should be considered as a joint responsibility of both governments and employers in supporting the wellbeing of families within the community.

As such, the IEUA supports a model which combines government and employer contributions resulting in full income replacement for the leave period.

The IEUA calls upon the Federal Government to explore further arrangements of tax breaks and/or other incentives for businesses who supplement the government paid maternity/parental scheme to provide full income replacement to employees accessing the paid scheme.

The IEUA further notes that recommendation 2.1 provides for employer contributions to superannuation on the relevant capped amount of paid leave, limited to the statutory percent rate.

The IEUA welcomes this recommendation as an attempt to address the inequities which have arisen in women's retirement savings due to movement in and out of the workforce.

However, the recommended amount is payable only on the Federal Minimum Wage and thus remains below that which is received by many women in the non-government sector and in society more broadly.

It should also be recognised that, in many non-government schools, employer contributions to superannuation are currently above the statutory 9 percent due to enhanced arrangements having been negotiated through collective bargaining.

The IEUA strongly believes that employer contributions to superannuation should continue to be made at the rate payable immediately prior to the employee commencing leave.

3.5 Eligibility and requirements for the access of the paid scheme

The IEUA acknowledges draft recommendation 2.4 as 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 10 hours a week on a continuous basis for 12 months or more prior to the expected birth date of the baby.*

The draft report provides for employment to be worked continuously across a range of employers for the 12 month period.

There have always been significant equity issues when it came to accessing paid maternity leave for women who worked in casual, temporary positions or have worked short term contracts with multiple employers. Even women who have a long history with an employer have been denied access to maternity leave if they change employers and discover that they are pregnant before the usual 12 month qualifying period.

The Productivity Commission draft report attempts to address these inequity issues by recognising that employment has many forms of engagement. The draft report recommends that the paid leave scheme be available to women, regardless of their particular employment engagement; full time, part time, casual or self employed .

The Commission's recommendation challenges the perception that paid maternity leave is a "loyalty bonus" and only accessible to women who have worked continuously with the one employer . It establishes paid maternity leave as an essential community issue needing to be supported by government and community.

However, the IEUA has concerns regarding the quantified employment test of 10 hours per week. 10 hours per week represents more than a one day full time equivalent under the various non-government sector industrial agreements. This situation would also be reflected in the broader workforce.

It is very much a common occurrence for working mothers to be employed on a one day (or equivalent hours) per week basis.

Thus limiting the employment test to 10 hours per week prevents many working mothers from accessing the paid leave scheme.

The IEUA recommends that the employment test for eligibility be amended to reflect the reality of the mothers working one day per week (or equivalent).

The IEUA also has concerns regarding the inconsistencies between the qualifying criteria under NES for unpaid parental leave and the eligibility criteria for the national paid leave scheme.

The IEUA recommends that the NES unpaid leave standard be aligned to the national paid leave standard.

3.6 Conditions of access

The IEUA acknowledges draft recommendation 2.7 as requiring *parental leave of 18 weeks paid leave to commence at birth, or after a period of other continuous leave that commences at the birth of the child.*

Clarification is sought to establish the nature of the “other continuous leave”.

Currently, a range of paid parental leave provisions exist within awards and agreements for the non-government sector. Such provisions have been achieved through collective negotiations with employers by the various branches of the IEUA.

The IEUA is keen to ensure that these provisions, where they exist, be preserved and not undermined by the introduction of a government paid scheme.

Therefore, the IEUA strongly supports a recommendation for a paid parental leave scheme to commence after a period of employer paid maternity leave. This is seen as an essential mechanism for preserving existing parental leave entitlements which have been attained through workplace bargaining.

The IEUA seeks the legislative preservation of any employer paid parental leave period achieved through workplace negotiations from being discounted by the government paid scheme.

The IEUA expresses concern should the recommendation 2.7 prevail on the employee to access other types of paid leave, such as long service leave and annual leave . Access to such leave should be at the discretion of the employee.

The draft recommendation 2.7 also stipulates that the paid leave scheme must be commenced within six months of birth.

The IEUA expresses concerns regarding the limitation of commencing paid leave scheme within six months of the birth of a child. Such a recommendation limits the options available to parents to spread paid leave entitlements over longer periods.

The IEUA calls for the removal of the requirement to commence the paid leave scheme within six months of birth.

3.7 Mechanism of payment

The IEUA recognises the draft recommendation 2.3 which seeks to have the employer initially making payments to employees, with subsequent reimbursement by the Australian Government.

The IEUA considers this recommendation as a practical mechanism in administering the paid leave scheme as it will allow for the method and timing of the payment to replicate as far as possible the employee's pay arrangements at the time of commencing leave.

3.8 Other provisions for accrual of entitlements during paid leave

It has been noted that the draft report remains silent on the accrual of entitlements whilst on paid parental leave.

As in all other paid leave entitlements, accrual of annual, sick, long service leave entitlements as well as recognition of incremental salary progression should be fully recognised whilst on paid parental leave.

The IEUA calls for the paid parental leave under the national scheme to be recognised as service and as such provides for the accrual of all leave entitlements and incremental salary progression.

3.9 Other provisions required to support return to work

The draft recommendation 2.11 calls for additional resources to allow for the effective support for breastfeeding during the first six months of an infant's life with focus on the post initiation stage.

It is appropriate that women should have access to breast feeding facilities such as access to a private room and refrigeration as well as work breaks. In some shameful situations, IEUA members are required to express breast milk in the toilet facilities of staff rooms as there are no other private facilities available.

The IEUA supports the recommendation regarding breast feeding facilities and seeks to have it expanded to include support for flexible return to work options; such as work breaks, open access to job share and part time provisions, particularly for management roles.

4 Conclusion

The IEUA supports a shared responsibility amongst employer and government to a funded paid maternity/parental leave.

The IEUA believes that such a scheme will educate and shift attitudes to be more supportive of women and their families, whilst overall providing long term benefits to the social and economic interests of the community.

The IEUA commends the Productivity Commission for its draft report on Paid Paternal Leave – Support For Parents With New Born Children