



**Community and Public Sector Union
State Public Services Federation Group**

Response

To the

Productivity Commission

Paid Parental Leave Draft Report

Submitter: David Carey – Joint National Secretary
Suzanne Hammond – National Women’s Policy Advocate

Organisation: Community and Public Sector Union – SPSF Group

Address: Level 4, 160 Clarence Street
Sydney, NSW 2000

Phone: 02 9299 5655

Fax: 02 9299 7181

Email: fedsec@spsf.asn.au

RESPONSE TO PRODUCTIVITY COMMISSION PAID PARENTAL LEAVE DRAFT REPORT

CPSU-SPSF FEDERAL OFFICE

The CPSU-SPSF welcomes the draft recommendations proposed by the Productivity Commission and acknowledges the comprehensive nature of the Report, the inclusiveness of the consultation process and its role in advancing the public debate on such an important economic, social and industrial issue.

After consideration of the Draft proposals we are pleased that public comment is invited and we therefore make our suggestions:

After years of public debate and of activity on behalf of unions and women's organisations we are pleased that the Federal Government acknowledges the importance of establishing a national paid maternity/parental leave system. Finally Australia may catch up to similar economies that have for long acknowledged the economic and social benefits of a providing national paid maternity leave system.

It is therefore important that the finalisation and implementation of such a system be expeditious. We suggest that the finalized national scheme be included in proposals of the May 2009 Federal Budget. The Government has good grounds for this as the Prime Minister and many other Ministers of the Government have acknowledged the importance of paid maternity leave and that such a scheme would be consistent with their commitment to support working families.

We also suggest that the current economic conditions could not present a more opportune time to assist working families and inject monies into the economy. This measure will greatly assist middle and lower income parents who have not had access to such an

entitlement. It will replenish the income of these parents and allow them to continue to contribute and share in the benefits of the Australian economy.

We acknowledge the Productivity Commission's recommendation of 18 weeks maternity leave and 2 weeks paternity leave at minimum wage rate. We suggest that while this is may be a good first step we reconfirm our preference for 26 weeks at replacement wages.

Protection of entitlements

Over the years many workers through their unions campaigned and negotiated with employers and Governments to secure the entitlement of paid maternity leave. Governments, unions and employers negotiated agreements on paid maternity leave as forming part of their contract of employment, bargained into an agreement or award. In many circumstances trading wage rises for enhanced paid leave arrangements. These wage trade offs were accepted by union members as part of the wage negotiation and settlements were budgeted for, and included in costings. These entitlements must be maintained and protected and any national entitlement must sit above that achieved through industrial bargaining. All entitlements in industrial instruments must be protected through the industrial system. This will require protection of conditions in awards and agreements.

We also suggest no worker be worse off or see their current entitlements diminish. This may require the application of a test similar to that of a 'no-disadvantage test' and an appropriate, accessible and appealable disputes settlement process.

Superannuation

We recommend that the proposal to 'cap' superannuation at 9% will disadvantage workers who have negotiated contributions at a higher rate and may discourage bargaining for better provision for superannuation. We therefore suggest that superannuation paid during this period of leave be paid at the normal rate paid to the worker prior to accessing leave.

Leave

We draw the Commission's attention to inconsistency in the proposals on the status and accrual of leave and service. Service is counted as employment for the purpose of further parental leave but not for accrual of other types of leave.

Paid Parental Leave should be treated as employment for the purposes of all leave entitlements and for the purposes of the Superannuation Guarantee Act.

We note that the Commission recommends that the entitlement to the national scheme must be accessed within six months of the birth of the baby and that other existing workplace entitlements must be exhausted.

We suggest that this proposal is far too restrictive and needs revision. We suggest that workers should be able to access the entitlement prior to the birth or expected birth, that the period be extended to a period of 24 months. That the requirement to exhaust all other entitlements be removed, and that the entitlement could be taken at a half pay rate over 36 weeks.

We suggest that the eligibility requirement of 10 hours per week be reduced to 7 hours per week, which would fit more closely with daily workforce hours.

We suggest that the Commission inquire further into the administrative arrangements. Further consideration needs to be given as to whether the Australian Taxation Office is the appropriate administrative body or whether a stand alone authority might best administer the system. As it is proposed that the scheme should be delivered by employers, we suggest an appropriate guarantee from the Government that provides the proper legislative compliance provisions to ensure that employers fulfill their obligations. Consideration must also be given to the relationship and interaction with *Fair Work Australia* and the *National Employment Standards*. We would suggest that *Fair Work Australia* might provide an effective dispute resolution body.

We conclude by stating that the CPSU-SPSF welcomes the proposals for a National Paid Parental Leave system that is primarily government funded. We support the feature that this leave is an employment related entitlement and is available to all types of employees and a broad range of family `types'. We also support the retention of a separate system that provides support for parents who do not have a workforce attachment or satisfy workforce attachment requirements. We have well considered the draft proposals and made our suggestions as to ways in which we believe this important arm of social and economic policy could be improved. It is a good step forward in promoting Australia's economic prosperity and improving the social and economic welling being of Australian families.