

## Personal Submission

I would like to respond to a few of the matters discussed in the Productivity Commission's draft report as follows:

1. *Whether leave can be taken on a part-time basis*

I was able to work from home for a period of time after each of my children were born, and was able to build up my working hours from part-time (by using annual leave to maintain my full salary) to full-time over the course of a few months. It is an option that would be useful under a paid parental leave scheme if the employer is able to accommodate such working arrangements.

2. *At the upper end of the income scale*

The recommended scheme does not provide an equal opportunity for highly paid mothers who are primary income earners to nurture their newborns. Some form of mandatory top-up would have been good to see, perhaps only for companies employing more than a specified number of staff.

3. *At the lower end of the income scale*

Some mothers could receive much more than the salary that they drew before giving birth, and obviously much more than the baby bonus/maternity payment. Whilst not begrudging payment to those truly in need, this does seem to be a somewhat incongruent feature of the scheme.

Looking at my own situation, in the six years that I have lived in Australia I have paid more in taxes than I can ever realistically expect to receive in government benefits. With an accommodating employer, I was able to continue in my job and to continue paying those taxes. Disappointingly, this scheme as it now stands would not have made the initial months any easier for me as the total payments would not have covered even one month's remuneration.

There has been much debate about whether taxpayers' money should be spent on a paid parental leave scheme. Examples of annual government expenditure are: \$23 billion on Age Pension; \$20 billion on Family Tax Benefit and Parenting Payment; \$12 billion on Disability Support Pension, Carer Payment and Carer Allowance; \$7 billion on Newstart Allowance and Youth Allowance; and \$2 billion (soon to be higher) on Child Care Benefit and Child Care Tax Rebate. The paid parental leave scheme currently recommended is expected to cost a net \$0.5 billion and comes with substantial unquantified savings including:

- More opportunities for babies to breastfeed, leading to: better health outcomes thus a reduced need to call on public health services; and higher average IQs thus potentially increasing the productivity of our future workforce.
- Reduced government expenditure on Child Care Benefits and Child Care Tax Rebates by reducing the number of very young babies placed in care. (Incidentally, child care providers subsidise the high costs of looking after very young babies by elevating the fees for older children.)
- Making it easier for mothers to maintain an attachment to the workplace and thus continue to work and save for their own retirement, potentially leading to increased tax income and reduced expenditure on Family Tax Benefits, Parenting Payments and Age Pensions.

To 'save', or even defer, this \$0.5 billion would be false economy.