

SUBMISSION to THE PRODUCTIVITY COMMISSION

On PAID MATERNITY LEAVE

Kerry Lovering, Convenor WEL Victoria

Firstly WEL Victoria would like to congratulate the Productivity Commission on its draft report. We agree with its findings and its conclusions and recommendations.

WEL wishes to assert that paid maternity leave should be treated as an employment benefit in the same way as leave for sickness, long service leave; recreation leave and any other entitlement. It should attract the same benefits and be subject to the same taxation requirements.

The present financial situation must not be used as an excuse to delay the introduction of the scheme.

The Commission and Politicians should realise that

i) Women's expenditure will help the economy and mothers need to have adequate funds .

It may be said that the baby bonus provides enough funds. This is for a short time only.

However women need to have income security. The minimum wage will supply income security for the first 18 weeks but attachment to the workforce is essential for mothers to make plans for future expenditure etc.

ii) In my study of the Cost of Children in Australia 1984 Institute of Family Studies.

I found that the minimal cost of food and clothing amounted to \$868 per year for a child under 2 years. CPI adjustments in 2008 equates to the minimal cost of \$2198. These costs did not take into account the cost of cots, baby car capsules, prams, and high chairs all of which can be purchased second hand at op shops and online and could amount to at least \$1000- \$2000.

For teenage children the minimal cost in 1984 was \$2157 per year and now in 2008 amounts to \$5508 without the cost of the latest technology such as computers, mobile phones and ipods, all required by peer pressure these days.

This illustrates the vital necessity for mothers to remain in the workforce.

iii) WEL recognises that the financial situation is difficult for everyone. We have calculated that the baby bonus equates to 13 weeks of the minimum wage.

In the last resort we could accept a reduction of paid leave to 14 weeks, with the proviso that this leave may be extended at a later date.

We also believe that the baby bonus should be taxable. This would only affect women with high independent incomes. We believe that as paid maternity leave is taxed it is only fair that the baby bonus also be taxed.

iv) Many retired women are finding it difficult to survive on the pension. If they had had an entitlement to superannuation during their employment they would not be in such dire straits now. WEL believes superannuation will be essential for the future income security of retired women, and should form part of the paid leave.

This submission addresses the questions posed by the Commission in its draft report.

6. WEL is in favour of Paid Maternity Leave for all employed mothers.

7. In favour of 2 weeks leave for fathers as a separate entitlement.

8.a) All mothers in the paid workforce, including casual and self employed workers should have an entitlement to paid maternity leave.

b) Taxation returns should be a criterion for self employed and contracted workers

All workers should be considered eligible as long as they have been employed for 12 months for at least 14 hours per fortnight.

c) Adopting families should have the same entitlements

9. Mothers of still born children still need time but perhaps can negotiate an earlier return to work if they wish. Each case is different. As I have had a stillborn child I would have preferred to return after about 6 weeks.

10. 18 weeks to 26 weeks is appropriate. A longer period could mean the woman may miss employment opportunities and may need re-training particularly in technological positions

11. Maternity Leave should start at birth as the entitlement allows a woman to bond with her baby. Before the birth other leave should be taken.

12. Extension of leave may be negotiated with an employer and include other types of leave

13. Government funded adult minimum wage should be the amount paid. Employees may negotiate for top up amounts to their normal pay.

14. The paid maternity leave should be taxed but NOT means tested.

15. The Government should pay the adult minimum wage. None of the alternatives mentioned are acceptable as they suggest that the payment is welfare rather than a normal entitlement.

16. Self-employed women should be defined in the same way as self-employed contractors and others. Taxation records should provide the required evidence.

17. The leave should be taken in one period.

18. Extension of leave could disadvantage an employer and should be negotiable

19. Child care is recognised as an essential element for the return to work. Government policy in this area should not however be seen as complementing the scheme.

A scheme could be developed for mothers to train their replacements and so keep contact with their employer during their period of leave. .(Rec 2.10)

a. Paid maternity leave should be treated in the same way as other leaves in regards to accrual.

b. It is of major importance that the employer is also attached to the worker and also so that women have access to a superannuation entitlement when they retire. Indeed if many of the present retirees had had access to super years ago, they would not be in such dire straits now

c. Superannuation payments should be the employer's responsibility. As employers pay super entitlements for all employees, there should be no extra work involved in continuing super for women on Paid Maternity Leave.

d. Small employers who can make a case for training replacement staff could be compensated.

26 An income contingent loan should not be part of the scheme.

If individuals wish to obtain a loan this is their own personal decision.