



**THE VICTORIAN TRADES HALL COUNCIL**  
**Response to the Productivity Commission Paid**  
**Parental Leave Draft Report:**  
**Support for Parents with Newborn Children**

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## **RECOMMENDATIONS FROM THE VICTORIAN TRADES HALL COUNCIL**

### **Response to the Productivity Commission Paid Parental Leave Draft Report**

**The Victorian Trades Hall Council supports and welcomes  
the model proposed by the Productivity Commission on  
Paid Parental Leave:**

Paid Maternity Leave is a necessity for Australian women's full participation in the workforce, for their health, recovery from childbirth and well-being, and for the care and support of the development of their child - therefore we stress the importance of the immediate introduction of a national scheme.

The VTHC therefore welcomes the Draft Report of the Productivity Commission and supports the proposal for a paid parental leave scheme.

The main proposal of the Productivity Commission is 18 weeks paid leave on minimum wage for the primary carer and 2 weeks paid leave for the secondary carer of a newborn infant. The VTHC has reviewed the draft report and we now make our recommendations:

#### **Recommendations:**

- That the proposed 18 weeks Paid Parental Leave to be increased to 26 weeks at full income replacement
- The government must make the implementation of the Paid Parental Leave scheme a priority and introduce a national system in the 2009 Federal Budget
- The VTHC emphasises the utmost importance that all employee's current entitlements achieved through workplace bargaining or awards be protected, and not undermined or put at risk by the new government Paid Parental Leave scheme. We therefore recommend the inclusion of a specific provision in the legislation which ensures that there will be no reductions in existing parental/maternity leave entitlements provided to employees by their current employer as a result of the implementation of the new government PPL scheme

- Employee's negotiated rights in existing agreements to take paid parental/maternity leave at half pay and to commence paid parental leave prior to the expected birth date should be protected
- The Productivity Commission's requirement to exhaust any existing maternity leave available and to access the proposed scheme within six months of the birth is too restrictive. We recommend access within a period of 24 months, with access available prior to birth. "In association with the birth"
- Paid Parental Leave should be extended to include commencement of long-term/permanent care of a child eg: adoption, a permanent care order, long-term foster placement
- The VTHC recommends that parental leave be treated as all other forms of leave and therefore all leave entitlements must accrue whilst on paid maternity/paternity leave
- The PPL scheme should be in addition to existing entitlements in awards and agreements and should do nothing to undermine existing entitlements or arrangements
- The national scheme should enable parents to take government PPL at half pay over a period of 36 weeks
- The VTHC recommends that superannuation contributions not be capped at 9%. Where superannuation payments would have exceeded this amount prior to PPL parents/carers should be paid at the rate payable prior to the commencement of leave
- The requirement to work an average of 10 hours per week would disadvantage some parents who work less than 10 hours per week. Parents/Carers who work 7 hours per week should have access to the scheme
- Paid Special Parental Leave, The loss of a baby in the later stages causes enormous physical, emotional and psychological trauma for the mother and indeed both parents. Access, for both parents to PPL at this time, for this occasion, is vital. Medical opinion usually places the definition at 20 weeks.

## **Conclusion:**

The Victorian Trades Hall Council represents approximately 40 unions and more than 350,000 workers in Victoria. These workers are members of unions that reach into almost every industry in the state, both in public and private sectors. Many Victorian workers do not have a paid maternity leave entitlement and therefore this proposal is a welcomed step forward in improving workers ability to manage their work and family life and secure their financial obligations.

The Productivity Commission has the opportunity to recommend a change that will create positive economic outcomes, improve the health and well being outcomes for new mothers and infants begin to rectify systemic discrimination faced by many women and have a positive impact on the lives of families and on the work place.

The economy and our community benefits when women maintain their labour force attachment following the birth of a child, particularly in a time of skill shortage.

Skilled women are leaving their careers at a faster rate than men and feedback from union members affiliated with VTHC indicate as the major reasons for this the difficulty of balancing work and family and maintaining attachment to the work force at this crucial period following the birth. Women cannot afford to pay the whole price in loss of foregone income, attachment to the workforce, on going skills development, lose of career status and other opportunities.

Children are a crucial investment for the future of our society. OECD countries acknowledge this principle by providing a support package that includes income support for the vital postnatal period in which the mental and physical health of both child and mother are considered a priority.

This submission should be considered in the broader context of the Australian Council of Trade Unions submission.

The VTHC welcomes the new scheme with these amendments and anticipates its expeditious implementation in the May 2009 Federal Budget.