

PRODUCTIVITY COMMISSION PERSONAL SUBMISSION – INQUIRY INTO PAID MATERNITY, PATERNITY & PARENTAL LEAVE

My name is Karen Duncan. I am a 39 year old mother of a 2 year old boy and expecting another child in June 2009. I live with my partner and child in Concord, Sydney. We have a mortgage of \$420 000 (This may sound large, but it is a challenge to have a smaller mortgage in Sydney when trying accommodate a family). I am employed as a Senior Counsellor by the NSW Department of Education and Training. Prior to the birth of my first child, I had worked full-time for many years. I returned to work 3 days per week, when my child was 10.5 months old. My partner earns an average income as a public servant and also studies part-time. He also has an older child from a previous relationship, for whom who has financial and parental responsibilities. I believe we are a fairly typical Sydney family, with fairly typical financial burdens.

While I am very pleased to see government-paid parental leave for most employees seriously on the agenda finally, I would like to raise several concerns with the proposed model. I believe my concerns would be shared by many working women who live in Sydney at this time:

1. \$543.78 per week payment is an inadequate weekly payment for most birth mothers, who are dependent on both their partner's salary and a substantial amount of their own salary, just to meet basic expenses (with both rent and mortgages being so large in Sydney at this point in time). In my instance, my partners after tax income covers just our mortgage and his child support payments and we are dependent on my income for everything else.
2. 18 weeks payment is an inadequate length of paid leave for most birth mothers. Those who do not have access to other paid leave (such as most in the private sector, and many in the public and community sectors in casual and temporary employment) will continue to be forced back into the work force prematurely (due to the current inability of most families in Sydney to be able to survive on one wage) and as such their babies will be deprived of the optimum care and start to life that they deserve.
3. The 2 week period of paid leave at \$543.78 per week for fathers/partners is inadequate both financially and in duration. Work-places, mothers and partners would all benefit from partners having at least a month of paid leave. Given that the birth mother is likely to being paid only \$543.78 per week, the primary earner (the partner) requires full wage replacement for their leave to be viable. In my instance my partner and I could not even pay our mortgage if we were both earning minimum wages for 2 weeks.
4. Presumably the proposed payment of \$543.78 will have tax taken out of it. Given that the baby bonus is tax free, it would appear that the proposed 18 week payment will only be marginally more lucrative (and so only marginally more helpful to parents) than the current baby bonus, and a lot more complicated. I would like to suggest that if the \$543.78 weekly payment cannot be increased in both amount and number of weeks of payment, that it least be tax free.

5. The model does not specify that existing maternity leave arrangements be kept and that the new scheme be in addition to all existing arrangements. This is of great concern, given that currently many public servants have 14 weeks or more of paid maternity leave at full wage replacement. If these conditions were not kept, these employees (such as myself) would be severely disadvantaged by the proposed model.
6. The condition that the proposed 18 weeks of parental leave be taken within 6 months of the birth of the baby requires some further consideration. As mentioned above, it is important that this proposed leave be in addition to maternity leave already available, to maximise the time that primary carers can spend caring full-time for their babies. Currently, many public servants take their 14 weeks maternity leave at half pay over 28 weeks and then take extended leave at half pay after that. Would these mothers then be forced to forfeit the additional proposed 18 weeks paid leave? Or would these mothers be forced to take their public service paid maternity leave at full pay (and pay more tax), just so they could obtain access to the additional 18 weeks proposed paid leave? Some specifications need to be made that allow primary carers to be entitled to both this existing paid leave (at full or $\frac{1}{2}$ pay to their choosing) and the proposed additional 18 weeks of paid leave. In this way many public servant mothers would be able to take close to a year off work on some kind of paid leave, to spend with their babies, which would benefit society at large. Perhaps the 6 month condition needs to be removed to enable this, or at least some specifications included that if the 18 weeks are taken as the first form of leave, that other existing maternity leave and other entitlements can follow without exception. Currently it is my understanding that public servants have to use up all of their available paid maternity leave before they are allowed to take any other forms of paid leave.
7. I am concerned that unless it is specified in this model, that public servant mothers/primary carers may be able to be forced to take all available paid public service leave, before being eligible for the proposed 18 weeks paid leave. This would be extremely deleterious, because when mothers/primary carers return to work with babies or infants, it is likely that their child will be sick from time to time (and sent home from child care) and that the mother/primary carer will be required to take further time off work to care for their child. Hence mothers/primary carers need some unused annual and or/extended leave to allow for this.
8. The condition that the primary carer must be employed continuously for the preceding 12 months to the birth of a child, to obtain the proposed 18 week payment will be detrimental to many of the most needy families. Many pregnancies are unplanned and this condition will continue to force those who have not been able to plan for pregnancy, back into work prematurely. No-one benefits from having stressed, sleep-deprived, guilt-ridden (for not being with their babies) parents back at work for this reason.
9. The condition that the employee has to be in paid employment for a continuous 12 months prior to being eligible for second, third etc periods paid

parental leave will also be detrimental to many families. There are many reasons why the primary carer may not have been back in paid employment for 12 months prior to have another baby in their care including: some women have a subsequent pregnancy very soon after giving birth, which may not allow them the opportunity to return to the work force before the next birth and many primary carers will take a period of unpaid leave to care for a baby, because of the inadequacy of the current and proposed parental leave systems. Under the current proposal many of these people would continue to have no paid leave available to them to care for subsequent children and hence be forced prematurely back into the work force.

10. I believe it is worth highlighting here the lack of generosity that currently exists even in the public sector, with regard to funding maternity or parental leave for subsequent children. This is an enormous problem given that a lot of families have more than one child in them and puts enormous strain on families. In the Department I work in (which I believe has similar conditions to most NSW Departments), women who work full-time are granted full-time maternity leave for 14 weeks for their first baby. Most mothers I work with then return to work part-time for the following years, but still hold a full-time position. When these mothers have a second baby (and the same for subsequent children), they are only entitled to full-time maternity leave for another 14 weeks, if they give birth to the second baby before 2 years since the birth of their first baby. If more than 2 years has lapsed, they are only entitled to pro rata maternity leave for 14 weeks.

This causes extreme financial stress for the women I work with, who are dependent on the 2 incomes just to meet basic needs. Are public servants all to try and space their subsequent children in less than 2 year gaps? I, like the other mothers I work with, also took all the paid leave available to me to extend my time with my first baby (maternity, extended and annual) and so there is limited other paid leave available to allow time with second and subsequent children. This is a serious issue that does not seem to have been addressed in the current model.

In my instance, where I am expecting a second child, and am only eligible for pro-rata maternity leave for no 2, my family income after the birth of no 2 will not cover our costs and I have realised that my partner and I have to sell our home (which is just a flat) and return to the rental market for the foreseeable future, just to survive the next couple of years. There are many families in Sydney with less money than us. I presume they all rent!