

Submission to Productivity Commission Inquiry into Paid Parental Leave

1 December 2008

Productivity Commission
By email

Dear Sir/Madam

Unintended consequences: the work test and subsequent births

I would like to draw your attention to possible unintended consequences of one aspect of the design of the proposed parental leave scheme.

This concerns the eligibility criteria for paid leave (the employment test) and the spacing of subsequent children.

I consider that all parents should be eligible for paid parental leave, regardless of whether they meet the employment test. However, if you are going to recommend an employment test, I urge you to consider the points raised below.

Eligibility criteria

As I understand the draft report, the eligibility criteria is continuous employment in the 12 months preceding the expected date of birth/adoption. This test would apply to second and later births, with the paid parental leave period counted as employment so as not to break employment continuity for the purpose of qualifying for subsequent paid parental leave.

My concern is that if a parent chooses to take additional (unpaid) parental leave (which we all recognise is desirable) beyond the 18 weeks of paid leave, does this break employment continuity for the purpose of the work test?

If it does, you may find that parents are returning to work earlier than they otherwise would have, in order to meet the employment test to be eligible for paid parental leave for a subsequent birth. This is surely a perverse outcome.

To avoid this situation, you would have to treat all parental leave periods (paid and unpaid) as *not* breaking employment continuity. In this situation, it would therefore make better sense to treat all parents equally, including those in paid work and those not in paid work.

Alternatively, you could apply a cap of total paid and unpaid parental leave (say 12, 18 or 24 months) before eligibility for subsequent paid parental leave is effected, however this disadvantages those who choose to take longer periods of leave, and would be profoundly anti-child. It would build into the system a strong incentive not to continue to care for children at home, beyond a certain point.

Given that the most important of the goals of a paid parental leave system are child and parental health, I genuinely believe that all parents should be entitled to paid leave and that the employment test should be scrapped.

Transitional measures

This is perhaps a matter for those drafting any future legislation, but it is worthwhile considering now. When, and if, the paid parental leave scheme commences, there will be a number of parents who are on unpaid parental leave, who were previously attached to the workforce. For the purpose of eligibility for the paid leave scheme, I urge you to recommend that the unpaid parental leave time be included in the 'continuous employment' calculation, so as not to disentitle these parents.

Period of paid leave

I urge you to increase the period of paid parental leave to at least 12 months, in the interests of child health and well-being.

Complementary measures to support breastfeeding

I understand you are interested in hearing ideas for complementary measures to support breastfeeding. I urge you to recommend that accredited lactation consultants be included within the Medicare system. In my experience, lactation consultants are the best placed to assist with breastfeeding problems. GPs don't have the time, and generally do not consult in the mother's home. Child and maternal health nurses likewise do not generally have the time or expertise required. Telephone assistance is useful, however nothing is as good as an in-home long consultation from a lactation consultant. There should be a generous Medicare item to allow for such assistance.

Yours sincerely
[signed]
Meghan O'Sullivan