

Response to the Productivity Commission's draft report: Paid Parental Leave: Support for Parents with Newborn Children

(Note these question were prepared by the NFAW)

1. Are you an individual male or female, or responding on behalf of an organisation?

I am female and responding in my role as Health Advisor for the NCWQ.

2. *If individual*, what is your age? Under 20, 20-34, 35-44, 45-54, 55 or over

3. *If individual*, do you have dependant children?

4. *If individual*, are you expecting or planning to have children in the future?

5. *If individual*, are you an employee, an employer, self-employed without employees, or not currently in paid work?

All respondents:

6. Are you in favour of paid maternity leave for mothers?

Yes

7. Are you in favour of paid leave for fathers? Should it be a separate entitlement or shared between parents?

Paid maternity leave is a priority to the major care giver for a child, couples should have choice as to which parent will take the leave and stay at home with the child. Mothers wishing to successfully breast feed will benefit from the establishing breast feeding in the period of paid maternity leave prior to returning to work. Fathers should be entitled to a minimum time of paid leave to attend to family responsibilities. This timeframe would need to be researched but legislated in the same way as maternity leave is. Ultimately leave for both parents would be desirable, shared between the parents or taken individually to allow for a flexibility for parents to optimise bonding of the child with both parents.

8. Who should be included?

The government funded maternity leave should be available to all Australian residents. All eligible parents should be entitled to receive maternity or paternity leave whether in or out of the workforce. There would be set minimum rate and maximum timeframe of paid maternity/paternity leave funded by the government but employers may choose to extend this at there own expense and in alignment with whatever contractual arrangements they have with the employee.

Adopting parents, male or female, should be entitled to claim the maternity leave entitlements from an employer if they have agreement from their employer or as per the criteria laid out for biological parents. They would be entitled to government funded maternity/paternity leave if they choose to be a stay at home parent in the same way that biological parents are.

For a permanently employed person, the employer should fund the maternity leave payments, claiming a rebate from the government for the amount paid to non working or ineligible parents(temporary/casual employees). An employer may decide to provide maternity leave(even though this is not required) to a casual/temporary employee. In this case the employer claims the same level of rebate from the government.

Self employed individuals and contractors would self-fund maternity leave, claiming the rebate from the government and for the maximum timeframe or part thereof if they can prove they are not conducting business during this time the payment is made. It would seem reasonable that the person claiming would need to fulfil the same maternity leave requirements as other claimants.

9. What about those with stillborn children or those whose baby dies?

Families experiencing grief and loss associated with a stillborn child or death soon after birth should be entitled to maternity leave entitlements in the same manner as any other person with a live child. The devastating effects of the loss of a child require support and care for both parents to minimise the development of mental illness. This must be noted as particularly important for the mother as she has the added hormonal changes associated with childbirth in the absence of the joy of motherhood.

10. What duration of paid leave do you think is appropriate?

18 weeks.

11. The start date – should it allow for time off before the birth? Should it be able to start later than the six months cut-off proposed by the Commission?

The 18 weeks should be able to be taken however the parent feels is appropriate for their circumstances. However, it is in the best interest of the mother and child for the mother to have at least 2 weeks off work after the birth of the baby.

12. Should people be able to use sick leave, recreation leave or partly accrued long service leave to extend the period of paid leave? In your experience will low income women especially have enough accrued leave to bring their period of paid leave up from the 18 weeks to the six months accepted as the desirable minimum?

Yes, people should be able to use whatever leave is available to them in a full or part-time capacity to extend the time at home with the baby. This should not be limited to six months but to however long they are able to financially manage.

13. What level of payment is appropriate, eg minimum wage, replacement, replacement capped at a certain level, other?

The government has statistics on minimum wages and this should be used to determine the level of maternity payment made. Every person will gain access to the scheme if they are a permanent resident of Australia. Employers will claim this amount as a rebate from the government and top this payment up to equal the persons wage is salaried or whatever contractual arrangement they may have as part of group collective agreement or individual contract.

14. Do you think it should be means tested?

Yes, high-income earners should not have access to the payment.

15. How do you think the leave should be funded?

The scheme should be government funded for all Australian residents.

Those employed permanently or with contractual arrangements with the employer will receive the payment via the employer who will claim the government-funded component as a rebate. For casual or temporary employees the employer may opt to include them in this category as make payments in the same way.

Casual/temporary/permanent workers not meeting the criteria of employment prior to confinement (permanently employed at the time of commencement of the pregnancy) with access the scheme directly from the government.

The insurance industry may in the future include maternity leave as part of income protection policies to cover maternity and postnatal events. This group will not be eligible for government funding.

16. How should 'self-employed' be defined?

The ATO has a definition for a commercial business; this criterion would apply to self employed, sole traders and contractors.

17. Should the leave be able to be taken part-time? In more than one period?

Leave could be taken in whatever blocks suit the person and the family. The employee would need to consider continuity of service provision and give appropriate notice of changes to the agreed schedule of leave. It is naturally easier for government organisations to be more flexible than small business owners and the circumstances need to be reflected in this provision.

18. What would be the effect on employers of parents extending their leave?

It maybe more difficult for an employer, especially a small business owner, to gain continuity of replacement staff for the period of the person wishes to extend maternity/paternity leave. Extending the leave may jeopardise the business, for this reason there would need to be some flexibility in the provisions to protect both the interests of the family and the business owners.

19. What other Government policy changes should be made, along with or complementing the proposed scheme?

All government policy will need to be reviewed to ensure they do not conflict in any way, protect the rights of employees and the commercial interests of an employer and ensure a fair and equitable outcome.

20. Should other forms of leave (sick, recreation, long service) accrue while the employee is on paid parental leave?

No as the employer is paying these types of conditions to the replacement person and it would seem the employer is paying twice. This would be particularly difficult for small business.

21. Should employers be required to continue to pay super entitlements?

No as this would be difficult for small business and would discourage the employment of permanent employees.

22. Should a Government funded scheme be paid through employers or direct by Government, eg Centrelink?

This should be optional. A bit like GST the person claims it back from the Government after it is paid. Business would be compensated financially for the additional administration costs.

23. Should small-medium employers receive a payment to compensate them for the costs of short-term replacement hiring? If so, how much?

Small-medium business employers should have the costs associated with managing the scheme reimbursed. This would include the administration costs, loans, and replacement staff costs.

24. What are the implications of the Commission's proposal for breastfeeding?

The implications for business are significant in terms of the expenses incurred by the employer in managing the scheme and funding the top up portion of the payments. However as stated below, a cost benefit analysis in terms of the overall health outcomes for individuals, families and society in terms of health system usage and the reduction of lost productivity due to conditions such as stress related disorders, anxiety and depression and other stress related physical illness must be factored into this equation. Society is vulnerable to the global economic conditions, however evidence shows that societal members with resilience and a sense of connectedness to family and community have the best possible personal outcomes and these contribute to the health of a society. A society that loses sight of the value of the core functions of individuals in nurturing the young and fostering connectedness to community does so at its peril.

25. What are the implications for the health and wellbeing of the mother and child?

Compulsory paid maternity leave funded by the government would ensure that low and middle-income earners are able to spend the maximum time at home with their baby. The minimum outlined by the WHO (World Health Organisation) is 16 weeks to establish breastfeeding; therefore this policy would adhere to international recommendations for these minimum standards. The benefits to mother/child, family and society in general of establishing connectedness of a child to a family and community are well documented. A community that values the role of the parents in providing care for children reinforces the worth of community members building resilience for the lifetime. The capacity to bond with parents and develop love and trust are crucial to a rounded child, this develops primarily in the child's first years in life. Evidence indicates a prejudicial childhood puts a child/person at risk of emotional and mental illness later in life and reduces resilience to adverse events.

26. Would you support the option of an income contingent loan in addition to the Commission's recommended scheme? (A loan where the parents did not have to start repaying until their income reached a certain level).

Definitely not, a society that reinforces escalating debt for individuals to provide basic levels of care for children creates a vulnerability to adverse financial stress and potential mental illness by way of anxiety, depression and suicidality. Depression is expected to be the leading form of disability for women by the year 2020. No government policy attempting to assist families should create the potential for escalating mental health issues by creating financial burden to parents.

Other comments: I am completely opposed to people creating more debt, delaying repayments as this creates a negative spiral for the society. It is better to create circumstance where people are able to meet minimum standards of living without requiring top up loans. These should be only used when life creates adverse events such as a serious illness or disability. Pregnancy and child rearing are normal life events and where possible should be budgeted for and supported by government.