



9 November 2008

Productivity Commission
Inquiry into Paid Maternity, Paternity and Parental Leave
GPO Box 1428
Canberra City ACT 2601, Australia

Thank you for the opportunity to comment on the first draft of the Commission's report released on 29 September 2008

Childcare Associations Australia (CAA) represents independent private providers of Early Childhood Education and Care (ECEC) services. The Associations key priorities are

- national regulations implemented across all jurisdictions;
- differential funding to support best practice staff to child ratios, particularly for children under two;
- workforce strategies that support high standards of pre-service training, up skilling current staff and strategies to both attract and retain staff in the sector;
- planning for children's services viability and sustainability; and
- affordable children's services for parents.

CAA works in an ethical and professional manner with a range of key stakeholders to support of a viable, best practice children's services sector in Australia.

CAA welcomes the general direction of initiatives outlined in the draft report. It is timely that Australia joins with its OECD colleagues and provides a system that encourage parents to spend more time at home in the early months of a child's life to establish breastfeeding, support family attachment and manage a work-life balance.

It is also pleasing to note that the scheme provides choice for families to decide who is best placed to be the primary carer and opportunities for two weeks partner leave – even if the mother is not eligible for statutory paid parental leave. Additionally the Commission has been sensitive in dealing with complex issues such as still and multiple births, same sex relationships and overseas adoption and surrogacy arrangements.”

CAA welcomes a scheme built on a contribution from employers, tax payers and individual families. This assists in making maternity leave a “mainstream policy initiative” However the current structure and delivery of these contributions does, in CAA's view, needs some fine tuning and provides the following suggestions.



CAA believes that the **employer contributions** should be a contribution from all employers and not be limited to those employers whose employees access maternity and parental leave. Under the proposed arrangements the burden of employer contribution will be high in those industries that have a high dominance of female employees - this includes but is not limited to Early Childhood Education and Care (ECEC) service providers. It is also worth noting that many employers are subject to payroll tax and superannuation payments are included in this tax. CAA would prefer a “pooled employer” contribution as the benefits of female workforce participation are shared across the whole community – not just at the individual business level.

CAA believes that it would be prudent to revisit **the period of paid maternity leave ie 18 weeks**. The draft report correctly encourages a contribution from the whole community and hopes that this combined effort will result in mothers being to remain at home with their child for 26 weeks through a combination of paid maternity leave and recreation leave. CAA believes that there are very few workers who will have been in a position to accrue eight weeks recreation leave and this suggests a two year planning period for a pregnancy. This is not the case in unplanned pregnancies and in families who already have children and will have used this recreation leave for important family holidays and or emergency care arrangements due to illness. In CAA’s view it is important to retain the notion of a combined response from taxpayers, employers and families but 22 weeks is a more realistic period of payment and

The **administrative arrangements** outlined in the report have reasonably complex payment and reimbursement arrangements. In the majority of pregnancies it is easy to give adequate notice of leave requirements. CAA therefore recommends that all payments are made from one central agency and maybe Centrelink could be contracted to do this. Using CAA’s proposal for a “pooled employer” contribution this could be collected at the end of the financial year based on actual payroll payments as identified to the Taxation Office for the purpose of issuing Income Statements to employees. This would ease accounting burdens at the individual business level .

Thank you for the opportunity to comment. CAA is happy to assist with any additional information to inform the Commission’s final report.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Amanda Morphet', with a stylized flourish at the end.

Amanda Morphet
President
Childcare Associations Australia