

Productivity Commission
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Inquiry into Paid Maternity, Paternity and Parental Leave

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A. F. U. W.

Submission from the Australian Federation of University Women in Response to the Productivity Commission Draft Inquiry Report on Paid Parental leave: Support for Parents with Newborn Children

The Australian Federation of University Women thanks the Productivity Commission for their extensive Draft Inquiry Report on Paid Parental Leave and for the opportunity to comment thereon.

We appreciate the hard work that has gone into the Inquiry and the care the Commission has taken to consider, and to accommodate in as balanced a way as possible, the different interests of all the parties involved in this very major social and economic issue.

Support for the Recommendations

Although the Recommendations do not meet every point of the original AFUW Submission to the Inquiry, we agree with the HREOC Sex Discrimination Commissioner, Dr Elizabeth Broderick, that the scheme proposed constitutes a major and workable step towards a system that will provide a much greater number of women with protection against the systemic employment and income discrimination involved in childbearing and rearing and also facilitate their attachment to the workforce – a very desirable result for the Australian economy as well as for the personal security and well-being of these women and their children.

We would like to make the following comments on particular aspects of the Recommendations and of material presented in the discussion.

Government- funding Essential

In particular we approve the Recommendation that the scheme be government-funded (apart from employers' superannuation contributions at a minimum rate). AFUW has always argued that a government-funded scheme is the only feasible way to achieve universal coverage. It also means that the government will be in control of both the paid maternity leave system and the payments made to mothers not in the workforce. The fact that the latter are not to be disadvantaged in any way by the introduction of paid parental leave will be important in ensuring that the scheme is not seen as socially divisive.

We are not opposed to the income from paid maternity leave being taxable, but we are extremely opposed to any suggestion of an 'income contingent loan' as a source of

payment for the period of leave. Apart from the fact that we consider it outrageous in terms of social justice, we also believe that it would be economically inefficient and administratively complex, whereas it is highly desirable to keep the scheme as simple as possible. A strength of the proposals made by the Commission is that they do away with the patchwork of ad hoc ways of addressing support for parents of infant children.

Period of Paid Leave is Acceptable

The recommended period of leave recognizes the importance of early infancy in establishing the foundations of the child's good physical and mental health through breast-feeding and parental bonding. While some would argue for the desirability of a longer period, what is recommended is more generous than that provided in most the existing paid maternity leave schemes, and we understand the Commission's need to consider the additional costs that would accrue with each additional week of leave.

We do not accept any suggestion that the period available for maternity leave should be determined by the fact that it can be extended by women taking other forms of leave entitlement, such as recreation, long-service or sick leave. Maternity is neither recreation nor sickness, although it may well involve long-service. Any taking of other forms of leave in conjunction with maternity leave should be an option dependent on the wishes of the woman and of her employer, but other forms of leave are not a substitute for maternity leave.

We also reject any suggestion that it should be obligatory for a woman to take any component of paid maternity leave prior to delivery of her child. If she requires unusual medical attention in that period, it should be covered by sick leave. If the work is of a nature that makes it hazardous in late pregnancy, every effort should be made by the employer to offer alternative work, but ultimately arrangements should be left to the good sense and goodwill of the woman and her employer.

Right of Return essential

The Recommendations recognize the fact that without the right of return maternity leave may not be taken at all, or for a period too short to establish the benefits cited above. The right of return may at times create problems for the employer, but without it, paid maternity leave would be ineffective in achieving firm workforce attachment.

Recognition of Paternal Role through Paternity Leave

AFUW endorses the Report's recognition of the need for paternity leave. While the period of leave is quite short, it represents an important recognition of the role of fathers and affords them an opportunity not only to support their wives physically and emotionally as they adjust to parenthood, but also to relate to the new child in their own way and on their own behalf.

We believe that research needs to be done into the take-up of paternity leave in existing schemes, and

that if, as seems possible, the culture of work has not embraced paternity leave with proper enthusiasm, then an educational campaign should be undertaken for both employers and male employees.

Transferability of leave

There are, nonetheless, many fathers who are enthusiastic about participating more extensively in the care of their child and we strongly support the proposal that it should be possible for the leave granted in the first instance to the mother to be transferred to an eligible partner if that arrangement suits the needs and wishes of the family unit.

Reservations and the Need for Monitoring

In consultations subsequent to the release of the Report, a number of reservations from different participants. This submission addresses only the two major concerns of AFUW.

One is the apparent continuing anxiety of small business as to the effects of paid maternity leave in that sector. We understand that the smaller scale of these businesses can make the prospect of staff receiving paid leave and being absent for a substantial time alarming. We believe, however, that much of this anxiety is misguided as to the expense and inconvenience potentially involved and applaud the Commission's decision to issue information specifically addressed to the perceived difficulties expressed by this sector.

The other issue, also frequently raised by others in consultations, is the extent to which the scheme is fully inclusive and equitable for all women in the workforce. Single mothers, already the most economically disadvantaged, seem less likely to benefit from the conditions, unless paternity leave can be extended to include other possible support persons. Casuals whose work is spread over several employers also seem to be less well provided for. There will be a need to monitor the scheme in the early stages of its operation to identify possible gaps and inequities in its coverage and take remedial action to ensure that it really is as inclusive as possible of all women in the workforce.

In Conclusion

Despite any reservations expressed above, we strongly support the Recommendations of the Report and hope that they will be accepted and implemented expeditiously by the Government. Paid maternity leave offers very real advantages for the social and economic well-being of Australia as a whole.