



## **Submission to the Productivity Commission Inquiry Paid Maternity, Paternity and Parental Leave 2008**

### **EMILY's List**

EMILY's List is a national organisation which provides financial, political and personal support network for progressive Labor women candidates and Members of Parliament. It is the only network of its kind in Australian politics. EMILY's List campaigns for and with women on issues related to our principles of choice, equity, equal pay, child care and diversity. We have over 3500 members nationally.

### **Paid Maternity Leave proposal**

EMILY's List Australia supports a national, government funded, paid maternity leave scheme, paid at the minimum wage for 14 weeks. This should include the compulsory 9% superannuation contribution.

Furthermore, employers should be required to top up this payment to fully replace the income of working women earning more than the minimum wage.

We believe that there is both a benefit to society of paid maternity leave, but also a benefit to individual employers, therefore it is appropriate to share the costs of such a scheme.

### **Objectives of paid maternity leave**

Paid maternity leave would help to address women's workplace disadvantage and decrease the level of sex and maternity discrimination that women continue to experience in the workplace. It would also promote fairness for all employees to enable them to balance work and family responsibilities.

Paid maternity leave is an equality issue and an important mechanism for advancing equality between men and women.

A national paid maternity leave scheme would go some way towards ensuring women's financial security immediately adjacent to the birth of a child, as well as promoting women's workforce attachment, reducing negative impacts on lifetime earnings and superannuation associated with time away from work for child-bearing and rearing responsibilities.

Other objectives include safeguarding the health of mothers, allowing breastfeeding routines to be established and ensuring an adequate opportunity for mothers and babies to bond.

There are also a significant number of benefits to employers and the economy as a whole.

Paid maternity leave would improve women's workforce attachment. Findings of the ABS and Productivity Commission show that women curtail their workforce

participation in peak childbearing years,<sup>1</sup> and are not able to move back into the workforce as much as they might like and make up the majority of underemployed workers.<sup>2</sup>

Individual employers would benefit from being able to retain experienced staff members, and minimise recruitment and retraining costs.<sup>3</sup> In the current economic climate, industries experiencing staff shortages may find paid maternity leave assists them in attracting and keeping staff. More general economic benefits include attracting and maintaining a high quality and competitive workforce in a global market, as well as deriving maximum returns on education and training costs.

### **Principles**

EMILY's List believes that paid maternity leave must be based on the principle that it is required to address the systemic discrimination against women in the workplace, ensuring they are not disadvantaged due to their role in child bearing.

As many women as possible must have access to this paid leave, which must also address the reality of women's working lives. For example, many women are employed in casual, part time or contract work and do not necessarily have periods of continuous employment with the same employer. These women must be able to access paid maternity leave.

EMILY's List believes that the paid maternity leave scheme must maintain income security and must be for a minimum period of 14 weeks.

EMILY's List believes that the ILO Maternity Protection Convention 183 provides the basis for a national paid maternity leave scheme:

This ILO Convention includes the following provisions:

- The majority of women should be covered
- A period of maternity leave of not less than 14 weeks
- Payment during maternity leave must be in a cash benefit form, equivalent to *at least* two thirds of a woman's earnings
- The right to breastfeed or express milk upon return to paid work

These provisions are recognised as the *minimum* that should be available.

### **Parental and paternity leave**

EMILY's List believes that paid maternity leave is only a start – there should be an option for the principal carer (if not the mother) to also access paid leave, including parents in same-sex relationships. Adoptive parents should be able to access the maternity leave scheme.

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<sup>1</sup> ABS Australian Bureau of Statistics (2007) *Australian Social Trends, 2007*, August 2007, Cat No. 4102.0,

<sup>2</sup> Productivity Commission *Annual Report Series 2006-07, Chapter 1: Enhancing Labour Force Participation, Issues and Challenges* (2007) <<http://www.pc.gov.au/research/annualreportseries/annualreport0607/chapter01.pdf>> at 30 April 2008

<sup>3</sup> Very high percentages of women who take PML returned to work with their employer within 12-18month period: ABS, 2007

### **The need for change**

EMILY's List believes that the Australia federal government must introduce a national scheme of paid maternity leave as a priority.

The available data supports a conclusion that a majority of Australian women workers do not have access to paid maternity leave.<sup>4</sup> The Equal Opportunity for Women in the Workplace Agency Annual Survey has tracked an increase in availability of paid maternity leave to employees in private sector companies with more than 100 employees from 21% in 2001 through 46% in 2005.<sup>5</sup> The Australian Bureau of Statistics found that 34% of women were able to use paid maternity leave to take time off work for the birth of their child, with greater prevalence in the public sector than the private sector.<sup>6</sup>

Paid maternity leave is usually available to highly educated, highly skilled professional workers. Very few low or unskilled women workers are able to access this form of support, except in the public sector.<sup>7</sup> EMILY's List believes that all Australian women should have the right to paid maternity leave.

Existing support measures including lump sum maternity payments, Family Tax Benefits and Maternity Allowances are not an adequate alternative to a coherent system of paid maternity leave, as they do not serve to adequately replace income around the birth of a child.<sup>8</sup> Furthermore, they do not facilitate women's long term participation in the workforce.

The current situation is inequitable, and out of line with international employment standards. As such, EMILY's List strongly supports the introduction of a national, paid maternity leave scheme.

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<sup>4</sup> Whitehouse, G. Baird, M. Diamond C. & Hosking A. *The Parental Leave in Australia Survey: November 2006 Report*, (2006) <<http://www.uq.edu.au/polsis/parental-leave/level1-report.pdf>> at 28 April 2008.

<sup>5</sup> Equal Opportunity for Women in the Workplace Agency, *Paid Maternity Leave – the Business Case* (2005) <[http://www.eowa.gov.au/Developing\\_a\\_Workplace\\_Program/Employment\\_Matter\\_Resources/EM\\_5\\_Resources/EOWA\\_Paid\\_Mat\\_Leave\\_Info/The\\_Business\\_Case.htm](http://www.eowa.gov.au/Developing_a_Workplace_Program/Employment_Matter_Resources/EM_5_Resources/EOWA_Paid_Mat_Leave_Info/The_Business_Case.htm)> at 28 April 2008.

<sup>6</sup> Australian Bureau of Statistics (2006) *Pregnancy and Employment Transitions, Australia*, November 2005, Cat No. 4913.0

<sup>7</sup> EOWA, 2005

<sup>8</sup> Brennan, D. 'Babies, Budgets and Birthrates: Work/Family Policy in Australia 1996-2006', *Social Politics* Vol. 14, No. 1, Spring 2007, p41