

**Submission to the Productivity Commission Inquiry into Paid Maternity,  
Paternity and Parental Leave  
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We welcome the initiation of this Inquiry into Paid Maternity, Paternity and Parental Leave and the opportunity to contribute to the debate over policy options. As researchers who have recently been engaged in research on the use of parental leave in Australia, we would like to provide the Inquiry with evidence from our research that we believe is pertinent to these debates. In particular, we wish to address:

- (1) Access to paid maternity and paternity leave;
- (2) Patterns of usage, including the combination of different forms of leave and variations in type and duration;
- (3) Parents' perceptions of the adequacy of their leave entitlements and their policy needs.

On the basis of this information, we highlight issues of eligibility and leave duration that we believe should be taken into account in the development of a new policy model for Australia. We do not, in this submission, reiterate the findings of the wider body of research into the effects of paid maternity/parental leave which have provided evidence of its importance for outcomes such as maternal and child health, family well-being and child development, or argue the case that that it is cost effective to provide such benefits for society. We take this as given, and see the Inquiry as an opportunity to discuss the most appropriate policy response in the current Australian context. Our focus in this submission is on the evidence we can bring to bear on this issue from our recent research: a detailed outline of the policy model we believe would best serve Australia's needs is provided in the submission to the Inquiry from the Work and Family Policy Roundtable, with which we are also associated.

The evidence we present is drawn primarily from *The Parental Leave in Australia Survey* (Whitehouse, Baird and Diamond 2005).<sup>1</sup> This survey was conducted in 2005 as a nested study within Wave 1.5 of the infant cohort of the Longitudinal Study of Australian Children (LSAC), which is a nationally representative sample of children born between March 2003 and February 2004. The sample of infants was selected using a two-stage clustered design and geographic stratification using the Medicare database held by the Health Insurance Commission (see Soloff, Lawrence and Johnson 2005 for further information). While the unit of selection was the child, in effect the sample is one of Australian families with a child of the specified age. It thus provides a basis from which to draw inferential statistics about this population of Australian families at the time of the survey.<sup>2</sup>

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<sup>1</sup> Further information on *The Parental Leave in Australia Survey* including a report on preliminary findings can be accessed at: <http://www.uq.edu.au/polsis/parental-leave> (link to *The Parental Leave in Australia Survey Report, November 2006*).

<sup>2</sup> While the sample selection design means that families with twins (or triplets) have a risk of selection twice (or three times) that of a family with a single birth, once a child was selected for inclusion, all other in-scope children were excluded from the sampling frame. Hence, there is only one 'study child' per family.

The LSAC Wave 1.5 mail-out survey<sup>3</sup>, which included *The Parental Leave in Australia Survey*, was distributed to the infant cohort in May 2005, when the infants were aged between 15 and 30 months. Of the 5107 infants/families successfully recruited in the first wave<sup>4</sup>, 5061 were sent Wave 1.5 questionnaires and 3573 responded. While survey attrition at Wave 1.5 tended to exacerbate the non-response bias identified in Wave 1<sup>5</sup>, the sample weights constructed for the infant Wave 1 sample were considered appropriate for the analysis of Wave 1.5 data. These weights are applied across all descriptive tables presented in this paper to adjust for disproportionate levels of non-response from mothers with less than a secondary education and mothers who speak a language other than English at home. All estimates are based on the second LSAC data release.<sup>6</sup>

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<sup>3</sup> Although the survey was mailed out, participants were given the option to respond online. Around 10 per cent of respondents chose this option.

<sup>4</sup> Excluding non-contacts, the overall response rate for Wave 1 was 64 per cent (Soloff, Lawrence and Johnson 2005, 27).

<sup>5</sup> Compared with population data collected in the 2001 Census, the LSAC infant sample has an over-representation of only children and mothers who have completed Year 12, as well as an under-representation of infants living with a single parent/guardian and mothers who speak a language other than English at the home (see Soloff et al 2006).

<sup>6</sup> Differences in estimates between tables presented here and those in earlier publications (for example, the November 2006 report at <http://www.uq.edu.au/polsis/parental-leave>) may reflect additional data cleaning between the first and second releases of the data. In addition, we now exclude from our analyses 14 families where the study child was born in a country other than Australia.

## 1. Access to paid maternity and paternity leave

Information on access to paid maternity, paternity and parental leave in Australia can be drawn from a number of sources, although none provides a fully accurate picture. The overview presented below is drawn from the available data on formal provisions for paid maternity and paternity leave and estimations of the proportion of employees who may have access to these entitlements. Although the figures indicate that the prevalence of provisions for paid maternity and paternity leave has been increasing (albeit erratically and slowly) in recent years, they also confirm that access remains limited and uneven.

The primary goal of a new model for Australia should be to overcome these inequities. This raises the important question of eligibility criteria for new entitlements. With this in mind, we consider the implications of adopting the same eligibility provisions that apply to the current statutory provision for 12 months unpaid parental leave, using data from *The Parental Leave in Australia* survey data to illustrate what this would mean for levels of access.

### 1.1 Provisions for, and access to, paid maternity and paternity leave: an overview

Documentation of formal provisions provides an initial overview of the scope of access to paid maternity and paternity leave in Australia. These can be found in (i) state and federal legislation for public service employees, (ii) company/ organisational policies and (iii) industrial agreements (recognising that provisions in industrial agreements may overlap with those established in legislation or company policies).

An overview of *public service provisions* is set out in Table 1. In several states, the duration of these provisions has recently been increased.

**Table 1: Public service paid maternity leave provisions (weeks)**

C'wealth	Vic	NSW	Qld	WA	SA	Tas
12	14	14	12 <sup>a</sup>	12 <sup>a</sup>	12 <sup>b</sup>	12

Notes

- a. To be increased to 14 weeks on 1 July 2008
- b. Increased to 12 weeks from 2005

An indication of the prevalence of provisions through *organisational policies* is provided through the regular surveys conducted by the Equal Opportunity for Women in the Workplace Agency (EOWA), which show an increasing incidence of paid maternity and paternity leave (46 per cent of responding organisations provided paid Maternity leave in 2005<sup>7</sup>, compared with 23 per cent in 2001; while the comparable figures for paid paternity leave were 32 per cent and 15 per cent respectively). The EOWA figures do overstate the organisational prevalence of paid leave provisions, however, as respondent organisations are predominantly those with 100 or more employees, and it is widely recognised that smaller organisations are significantly less likely to have provisions in place.<sup>8</sup>

The extent of provision through *industrial agreements* has also been increasing somewhat, although from a very low base. In 2002, for example, less than 10 per cent

<sup>7</sup> At which time the most common duration of paid maternity leave provided by respondents to this survey was six weeks.

<sup>8</sup> This is confirmed by the EOWA data itself which provides breakdowns by organisational size.

of a sample of federal agreements, and less than 5 per cent of a sample of state agreements, made reference to paid maternity leave (Baird, Brennan and Cutcher, 2002: 8). However among a sample of 3,200 federal and state enterprise agreements registered between 2002 and 2006, 23 per cent made reference to paid maternity leave.<sup>9</sup> Among this sample:

- the most common entitlement periods were 14 weeks (178); 6 weeks (161) and 12 weeks (86);
- 75 per cent of those mentioning paid maternity leave were union agreements and 25 per cent were non-union agreements;
- reference to paid maternity leave occurred most commonly in agreements in the finance and insurance industry, utilities and education (51, 40 and 34 per cent of agreements in these industries respectively), while reference to paid maternity leave was uncommon in wholesale, retail, mining and accommodation, cafes and restaurants industries (2.5, 2.5, 4 and 4.5 per cent of agreements in these industries respectively).

While there is thus some evidence of increased reference to paid maternity leave in enterprise agreements, it is not clear to what extent these provisions extend on those already available to employees through legislation or organisational policies. Moreover, the extent of provision through bargaining is clearly limited and unevenly distributed.

None of this information on formal provisions enables accurate estimation of the proportion of parents or the employed population with access to paid leave provisions. Estimates of the proportion of employees who report having access to paid leave provisions in their main job are provided by the Australian Bureau of Statistics (ABS); for example in the survey *Employee Earnings, Benefits and Trade Union Membership* (Cat No 6310.0). Figures from this survey show that, in August 2007, 45 per cent of female employees and 36 per cent of male employees indicated they had access to paid maternity/paternity leave in their main job, with prevalence considerably higher in public sector employment in both cases. These proportions have been steadily increasing over the time period during which the statistics have been collected.

Overall, then, there are indications of the increasing prevalence of paid maternity and paternity leave provisions, but clear evidence that leaving the provision of these entitlements solely to organisational policies or the enterprise bargaining system is not providing sufficiently inclusive levels of access. The development of a widely accessible paid leave scheme is clearly overdue – this would be the first step towards extending, and ensuring great equity of, access. However a key question in establishing such a system would be how ‘universal’ coverage would be; that is, what criteria would govern eligibility. One option would be to adopt the criteria that currently apply to the statutory provision for 12 months unpaid parental leave in Australia. We assess the implications of that approach below, drawing on data from *The Parental Leave in Australia Survey*.

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<sup>9</sup> This is a preliminary analysis of enterprise agreements in the Workplace Research Centre Data Base, University of Sydney, March 2008.

## 1.2 Access to unpaid parental leave provisions and the scope of eligibility

The basic criterion of eligibility for the Australian unpaid parental leave entitlement is unbroken tenure of at least 12 months with one employer.<sup>10</sup> Table 2 below illustrates the proportion of mothers of young children (in this case, born between March 2003 and February 2004) who met this criterion at the time of the birth of their child.

**Table 2: Employment status prior to a birth by demographic attributes, mothers of children born March 2003-February 2004<sup>a</sup>**

	Employment status of mothers (row %)					
	Employee		All	Self-employed	Not employed	Sample n
	12 mths with same employer prior to birth <sup>c</sup>	< 12 mths with same employer prior to birth				
<b>Parity of study child<sup>b</sup></b>						
First birth	63	17	80	7	13	1,474
Second birth	45	10	54	7	38	1,310
Third or higher parity birth	30	5	35	9	55	715
<b>Mother's age<sup>c</sup></b>						
14-25 years	35	21	55	3	42	471
26-30 years	53	12	65	7	28	1,085
31-35 years	53	11	64	7	30	1,317
36 years & older	47	7	54	14	32	626
<b>Main language at home<sup>b</sup></b>						
English	51	12	62	8	30	3,081
Other than English	41	12	53	7	40	418
<b>Education<sup>b</sup></b>						
No tertiary qualification	39	9	48	7	45	939
Diploma or certificate	48	13	61	7	32	1,207
Degree or higher	59	13	72	9	19	1,353
<b>Relationship status<sup>c</sup></b>						
Living with partner	51	11	62	8	30	3,291
Single	27	21	47	5 <sup>‡</sup>	48	208
<b>Partner's employment<sup>d</sup></b>						
Not employed	27	13	63	2 <sup>‡</sup>	58	121
Employed	52	11	40	8	29	3,163
Earn up to \$499/wk	38	15	53	12	35	280
Earn \$500-\$999/wk	55	11	66	7	27	1,328
Earn \$1500/wk or more	53	12	65	8	27	1,408
<b>All mothers</b>	<b>49</b>	<b>12</b>	<b>61</b>	<b>7</b>	<b>31</b>	<b>3,284</b>

### Notes

- Estimates have been weighted to account for non-response bias. Sample counts unweighted.
- Parity of study child, main language spoken by the mother in the home and education are taken from LSAC wave 1.
- Mother's age and relationship status taken around the time of the study child's birth.
- Partner's employment based on whether employed in the 12 months prior to the birth of the study child.
- The total number of mothers who had been with the same employer for the 12 months prior to the birth includes a few who are likely to be ineligible for parental leave because they had been dismissed from their job, made redundant or been on a fixed-term contract that finished prior to the birth (n=48). The latter group of mothers is too small to be analysed separately.

‡ Figures should be treated with caution as based on small cell count.

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5, and LSAC Wave 1.

<sup>10</sup> We note that this assumes that all 'long-term' casuals (with 12 months tenure) are eligible. This is the case (at least formally) since the Work Choices amendments in 2006, but was not true across all jurisdictions at the time *The Parental Leave in Australia Survey* was conducted in 2005.

Table 2 shows that only 49 per cent of mothers responding to the survey would have been eligible for statutory unpaid parental leave based on the criterion of tenure of 12 months or more with one employer prior to the birth of their child. The remainder would not have been eligible for one of the following reasons: not with the same employer for 12 months prior to the birth (12 per cent); self-employed (7 per cent); not employed prior to the birth (31 per cent). The proportion of mothers meeting the eligibility criterion varies considerably depending on the listed characteristics, due primarily to differences in rates of employment prior to the birth: for example, among the group most likely to be in paid employment (first time mothers), 63 per cent met the eligibility criterion.

Turning the focus to just those mothers who worked as employees prior to the birth of their child, an additional set of differences in eligibility can be identified. These are presented in Table 3.

**Table 3: Tenure with same employer prior to birth of child, by employment characteristics, mothers working for an employer<sup>a</sup>**

	Mothers working for an employer (row %)		Sample n
	12 mths with same employer prior to birth <sup>c</sup>	< 12 mths with same employer prior to birth	
<b>Sector<sup>b</sup></b>			
Private	78	22	1,376
Public	86	14	774
<b>Contract</b>			
Permanent	91	9	1,539
Casual	56	44	493
Fixed-term	49	51	118
<b>Work hours</b>			
Part-time	75	25	975
Full-time	86	14	1,175
<b>Workplace size</b>			
Fewer than 20	72	28	549
20 to 99	77	23	407
100 to 499	84	16	321
500 or more	88	12	873
<b>Weekly earnings</b>			
Less than \$300/wk	63	37	374
\$300-\$699/wk	79	21	841
\$700-\$999/wk	90	10	466
\$1000/wk plus	90	10	469
<b>Occupation</b>			
Manager	88	12	113
Professional & associate professional	84	16	1,048
Adv & inter clerical, sales & service	80	20	659
Elementary clerical, sales & service	71	29	199
Tradesperson etc <sup>d</sup>	72	28	131
<b>Union membership</b>			
Not union member	77	23	1,465
Union member	90	10	685
<b>All employees</b>	81	19	2,150

Notes

- Estimates have been weighted to account for non-response bias. Sample counts unweighted.
- All employment characteristics refer to mothers' jobs in the 12 months prior to the birth.
- See note (e), Table 2.
- Includes transport workers, production workers and labourers

Source of data: *The Parental Leave in Australia Survey*, conducted in conjunction with LSAC Wave 1.5.

The figures in Table 3 underline the marked differences in mothers' eligibility for unpaid parental leave depending on employment characteristics. The likelihood of having 12 months tenure with the same employer is higher for those working in the public sector, employed on a permanent contract, working full-time, employed in a comparatively large organisation, earning a relatively high salary, working in a managerial occupation and being a member of a union. These divisions emphasise the considerable inequities in access associated with the current 'universal' provision for unpaid parental leave in Australia.

The situation for fathers is somewhat different, with a higher proportion (63 per cent) being employees with at least 12 months tenure with one employer prior to the birth of their child, and less variation depending on whether this was a first child (Table 4). However, fathers were also more likely to report that they were self employed, and this reduced the overall proportion of fathers falling within the 'eligibility' net.

**Table 4: Employment status prior to a birth by demographic attributes, fathers of children born March 2003-February 2004<sup>a</sup>**

	Employment status of fathers (row %)					
	Employee		All	Self-employed	Not employed	Sample n
	12 mths with same employer prior to birth <sup>e</sup>	< 12 mths with same employer prior to birth				
<b>Parity of study child<sup>b</sup></b>						
First birth	64	16	80	18	3	1,353
Second birth	64	14	78	19	3	1,246
Third or higher parity birth	58	11	69	24	7	648
<b>Fathers' age<sup>c</sup></b>						
14-30 years	67	17	84	13	3	979
31-35 years	64	14	78	20	2	1,191
36-40 years	60	12	71	24	4	746
41 years & older	54	11	65	27	9	331
<b>Main language at home<sup>b</sup></b>						
English	64	14	78	19	3	2,897
Other than English	54	13	67	26	7	350
<b>Education<sup>b</sup></b>						
No tertiary qualification	60	13	73	20	6	677
Diploma or certificate	61	15	76	21	4	1,516
Degree or higher	67	14	81	17	2	1,054
<b>Partner's employment<sup>d</sup></b>						
Not employed	60	16	76	18	7	918
Employed	64	13	77	20	2	2,296
<b>All fathers</b>	<b>63</b>	<b>14</b>	<b>77</b>	<b>20</b>	<b>4</b>	<b>3,247</b>

Notes

- Estimates have been weighted to account for non-response bias. Due to rounding, figures may not add to 100%. Sample counts unweighted.
- Parity of study child, main language spoken by the father in the home and education are taken from LSAC wave 1.
- Father's age taken around the time of the study child's birth.
- Partner's (mother's) employment based on whether employed in the 12 months prior to the birth.
- A small number of employees who had been with their current employer for 12 months prior to the birth are likely to be ineligible for parental leave because they had been dismissed from their job, made redundant or been on a fixed-term contract that finished prior to the birth (n=21).

Source of data: *The Parental Leave in Australia Survey*, conducted in conjunction with LSAC Wave 1.5, and LSAC Wave 1.

Table 5 shows that, like mothers, fathers were considerably more likely to be in a job with 12 months or more tenure if they were employed on a permanent (rather than a casual or fixed-term) contract, if they worked in a larger organisation and if their earnings were comparatively high.

**Table 5: Tenure with same employer prior to birth of child, by employment characteristics, fathers working for an employer<sup>a</sup>**

	Fathers working for an employer (row %)		Sample n
	12 mths with same employer prior to birth <sup>d</sup>	< 12 mths with same employer prior to birth	
<b>Sector<sup>b</sup></b>			
Private	81	19	1,811
Public	90	10	607
<b>Contract<sup>b</sup></b>			
Permanent	87	13	2,165
Casual	44	56	187
Fixed-term	47	53	66
<b>Workplace size<sup>b</sup></b>			
Fewer than 20	74	26	540
20 to 99	83	17	470
100 to 499	85	15	396
500 or more	90	10	835
Don't know/missing	72	28	177
<b>Weekly earnings<sup>b</sup></b>			
Less than \$700/wk	74	26	506
\$700-\$999/wk	86	14	678
\$1000-\$1499/wk	85	15	701
\$1500/wk plus	87	13	456
Negative, nil or missing	73	27	77
<b>Occupation<sup>c</sup></b>			
Manager	89	11	297
Professional and associate professional	84	16	992
Tradesperson	85	15	467
Clerical, sales & service	83	17	299
Transport etc	74	26	363
<b>Union membership<sup>b</sup></b>			
Not union member	81	19	1,393
Union member	89	11	807
Don't know	77	23	218
<b>All employees</b>	<b>83</b>	<b>17</b>	<b>2,418</b>

Notes

- Estimates have been weighted to account for non-response bias. Due to rounding, figures may not add to 100%. Sample counts unweighted.
- Employment characteristics refer to father's job in the 12 months prior to the birth of the study child.
- Occupation refers to father's job at LSAC Wave 1 interview; 'Tradesperson etc' includes transport workers, production workers and labourers.
- See note (e), Table 4.

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5, and LSAC Wave 1.

Overall, it is apparent that a considerable proportion of Australian parents fall outside the eligibility net for statutory unpaid parental leave provisions. We argue that adopting the same criterion for new paid leave entitlements would be problematic, particularly in the context of the spread of 'non-standard' forms of employment.



## 2. Patterns of usage of paid maternity and paternity leave

We now turn to the use of paid maternity and paternity leave in Australia. Table 6 shows that around one third of employed mothers used some paid maternity leave with the birth of their child. The proportion was higher (close to half) among those who had taken leave and returned to work at the time of the survey. Differences between mothers with a first birth and those with other children were minimal for those groups in paid employment, but marked among ‘all mothers’ due to the higher propensity of mothers having a first child to be employed prior to the birth.

**Table 6: Use of paid maternity leave within selected populations, mothers of children born March 2003-February 2004<sup>a</sup>**

	Mothers with first birth		Mothers with higher parity birth		All mothers	
	% take paid mat leave	Sample n (total)	% take paid mat leave	Sample n (total)	% take paid mat leave	Sample n (total)
<b>Base populations</b>						
All mothers	30	1,421	18	1,992	23	3,413
All employed before birth	34	1,241	33	1,122	34	2,363
All employees before birth	36	1,159	38	965	37	2,124
All employees who take leave from a job	47	896	50	735	49	1,631
All employees who take leave & return to work <sup>b</sup>	49	597	51	522	50	1,119

Notes

- Estimates have been weighted to account for non-response bias. Sample counts unweighted.
- Must have returned to employment before the infant reaches 15 months (the age of the youngest infant when the Wave 1.5 survey was distributed to mothers).

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

**Table 7: Leave combinations, mothers who worked for an employer prior to the birth of a child and took leave<sup>a</sup> (column percentages)**

	Mothers who worked for an employer and took leave		
	Mothers with first birth	Mothers with higher parity birth	All
<b>Paid maternity leave taken</b>			
Only paid maternity leave	4	4	4
Paid maternity & unpaid maternity only	11	14	12
Paid maternity leave combined with other types of leave <sup>b</sup>	33	32	32
<b>No paid maternity leave taken</b>			
Unpaid maternity leave only	24	24	24
Other unpaid leave <sup>c</sup> , no paid leave	6	10	8
Other paid leave only <sup>c</sup>	3	3	3
Other paid leave combined with unpaid leave <sup>d</sup>	20	14	17
<b>Sample n</b>	896	735	1,631

Notes:

- Figures have been weighted to account for non-response bias. Due to rounding, figures may not add to 100%. Sample counts unweighted.
- Paid maternity leave is combined with either ‘other’ unpaid leave, paid annual leave, paid sick leave, paid long service leave or ‘other’ paid leave. Unpaid maternity leave may also be taken.
- Paid leave includes paid annual leave, paid sick leave, paid long service leave and/or ‘other’ paid leave.
- Unpaid leave includes either unpaid maternity leave or ‘other’ unpaid leave.

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

While a significant proportion of mothers thus used some paid maternity leave, it is clear from Table 7 that very few leave-takers (only 4 per cent) relied solely on this form of leave. Again, there were no significant differences on the basis of whether this was a first child or not.

Table 8 underlines the uneven distribution of the use of paid maternity leave, reflecting the divisions in access to this form of leave entitlement. These echo the contrasts illustrated in the previous section on unpaid parental leave, but are – unsurprisingly, given the comparative rarity of paid maternity leave – even more marked. For example, only around 20 per cent of private sector employees who took leave accessed some paid maternity leave, whereas this was the case for close to 70 per cent of public sector employees. The use of paid leave was also considerably more likely among permanent employees, full-time workers, workers in larger organisations, those with relatively high incomes, those in professional occupations and union members. As with eligibility for unpaid parental leave, there is some irony that availability is lowest in many of the areas where women are most likely to be concentrated (for example, in part-time work, small organisations and elementary clerical and sales occupations).

Thus far we have focused simply on whether mothers have used paid maternity leave, without considering the duration of leave or the level of remuneration. Estimates from *The Parental Leave in Australia Survey* indicate that the average duration of paid maternity leave amongst all users is 11 weeks. It is important to note, however, that in some cases leave is taken at less than the normal pay rate in order to extend the duration. The majority of mothers using paid maternity leave (82 per cent) were paid at their normal rate of pay for the duration of the leave, but 16 per cent took leave at half-pay to extend their leave duration. This practice was most prevalent in the public sector: among public sector employees taking paid maternity leave, 24 per cent took some or all of their paid leave at half-pay, whereas in the private sector only 6.5 per cent used – or had access to – this option.

The graphs in Figure 1 illustrate the distribution of paid maternity leave duration and how it varies by sector, showing the prevalence of six and twelve week periods (with the former more common in the private sector and the latter more common in the public sector), while total leave is most likely to be 52 weeks. Apart from the difference between sectors, paid maternity leave duration does not vary markedly by employment characteristics – those in comparatively low paid jobs, in small organisations, or working in elementary clerical occupations take somewhat shorter periods on average<sup>11</sup>, but overall the distribution of duration is clustered closely around typical periods provided in policies.

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<sup>11</sup> Full details can be obtained from the authors.

**Table 8: Use of paid maternity leave and other forms of leave by mother's pre-birth employment and demographic characteristics, mothers working for an employer prior to a birth<sup>a</sup> (row percentages)**

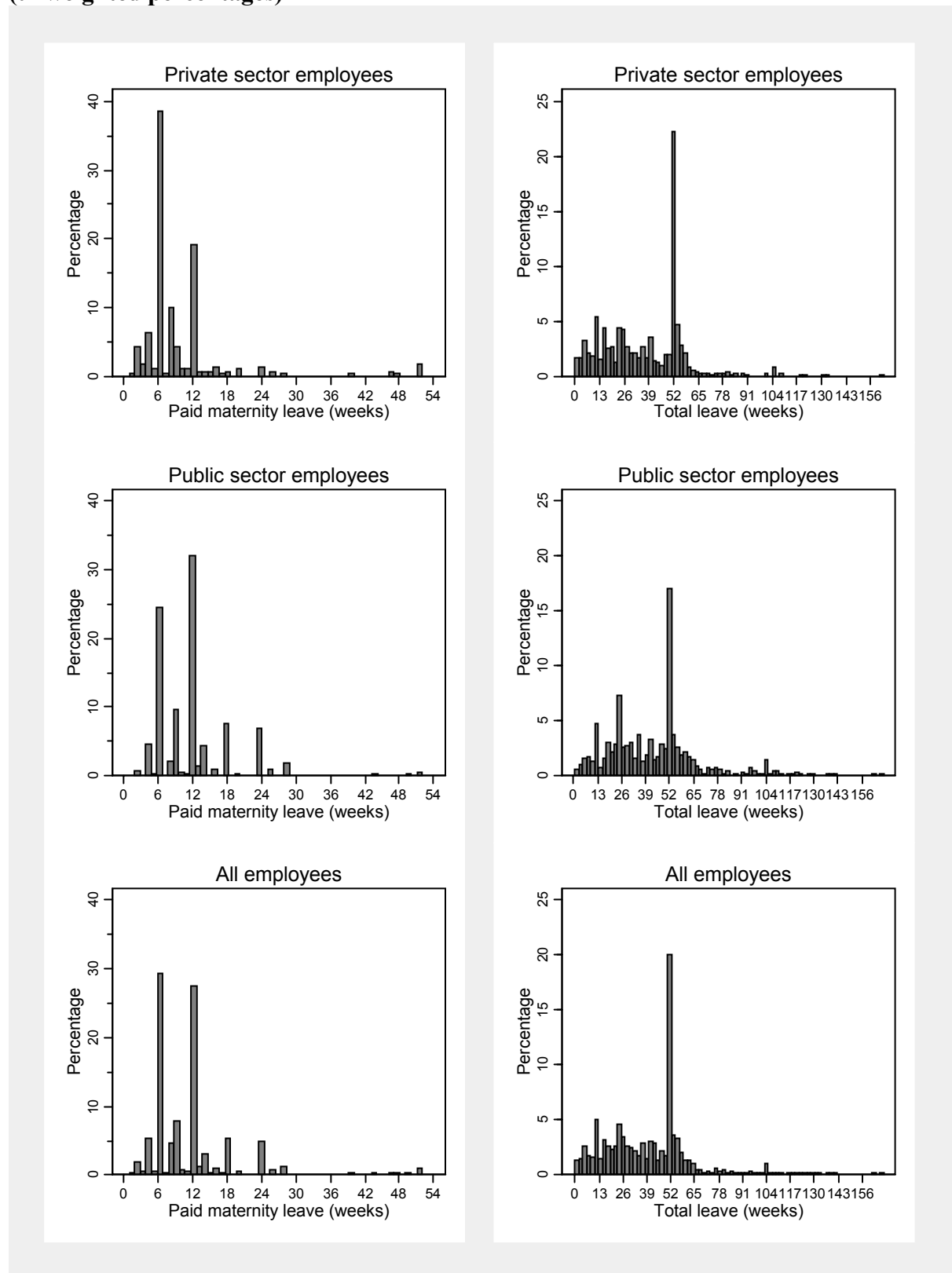
Job characteristics leading up to the birth	Employees who took leave			No leave	Sample n (total)
	Paid maternity leave only	Paid maternity & other leave <sup>f</sup>	Other leave <sup>f</sup>		
<b>Employment continuity</b>					
12 mths same employer up to birth	4	41	43	13	1,714
<12 mths same employer up to birth	1 <sup>‡</sup>	2 <sup>‡</sup>	27	70	379
<b>Sector</b>					
Private	3	18	52	28	1,330
Public	4	65	17	14	763
<b>Contract</b>					
Permanent	4	46	40	11	1,521
Casual	1 <sup>‡</sup>	1 <sup>‡</sup>	43	55	457
Fixed-term	4 <sup>‡</sup>	11	28	57	115
<b>Work hours</b>					
Part-time	2	26	40	32	933
Full-time	4	40	39	17	1,160
<b>Workplace size</b>					
Fewer than 20	2	7	53	38	379
20 to 99	4	20	42	34	283
100 to 499	2 <sup>‡</sup>	37	43	18	244
500 or more	3	55	30	12	713
<b>Weekly earnings</b>					
Less than \$300/wk	1 <sup>‡</sup>	8	41	49	350
\$300-\$699/wk	3	25	48	24	813
\$700-\$999/wk	4	46	36	14	462
\$1000/wk plus	5	59	26	10	468
<b>Occupation</b>					
Manager	4 <sup>‡</sup>	41	37	18	113
Professional & associate professional	4	47	31	17	1,033
Adv& interm clerical, sales & service	2	25	46	27	632
Elementary clerical, sales & service	1 <sup>‡</sup>	13	53	34	191
Tradesperson etc <sup>c</sup>	3 <sup>‡</sup>	10	46	41	124
<b>Union membership</b>					
Not union member	3	24	45	29	1,420
Union member	3	57	28	12	673
<b>Relationship status<sup>d</sup></b>					
Living with partner	3	35	40	22	1,999
Single	2	12	37	49	94
<b>All mothers working as employee before a birth<sup>e</sup></b>					
	3	34	40	23	2,093

Notes

- Estimates have been weighted to account for non-response bias. Due to rounding, figures may not add to 100%. Sample counts unweighted.
  - All employment characteristics, including occupation, refer to mothers' jobs in the 12 months prior to the birth of the study child.
  - Includes transport workers, production workers and labourers
  - Mother's relationship status around the time of the study child's birth.
  - The percentage of mothers who take paid maternity leave only (3%) is slightly lower here than the 4% figure published in Table 7 because a small number of mothers who are missing on any job characteristic or their relationship status at the time of the birth are excluded from this table.
  - Other leave here refers to any leave not designated paid maternity/parental leave and could include any combination of the following types: unpaid maternity/parental leave, other unpaid leave, paid annual leave, paid long service leave, paid sick leave or other paid leave.
- ‡ Figures should be treated with caution as based on small cell count.

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

**Figure 1: Distribution of weeks away from a job on paid maternity leave and all leave by sector, mothers working for an employer prior to a birth who take leave (unweighted percentages)**



Note: Percentages in left hand graphs are based only on those who used some paid maternity leave, while the percentages in the right hand graphs are based on those who took any leave.  
 Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

In summary, at the time of our survey paid maternity leave was used by around one-third of mothers who worked as employees in the lead up to the birth of their child, only 4 per cent of those taking leave relied fully on paid maternity leave, and many mothers drew on leave entitlements other than paid or unpaid maternity leave during this period. In addition, use of paid maternity leave was extremely uneven across the labour market, and duration was typically short – well below the ILO and WHO standards for many users.

Turning to the situation for fathers<sup>12</sup>, Table 9 shows that around 30 per cent used some paid paternity leave. It also highlights the tendency among fathers to use ‘other’ paid leave: 57 per cent relied solely on other paid leave, most frequently on annual leave. Variation in the use of paid parental leave in line with employment characteristics was less marked for fathers than mothers, but it was still the case that usage was higher in the public sector, among those on permanent contracts and those working in larger organisations.<sup>13</sup>

**Table 9: Leave combinations, fathers who worked for an employer prior to the birth of a child and took leave<sup>a</sup> (column percentages)**

	Fathers working for an employer who took some leave		
	Fathers with first child	Fathers with higher parity child	All
<b>Paid paternity leave taken</b>			
Only paid paternity leave	12	15	14
Paid paternity leave combined with other types of leave <sup>b</sup>	17	16	17
<b>No paid paternity leave taken</b>			
Unpaid paternity leave only	5	6	5
Other unpaid leave <sup>c</sup> , no paid leave	6	4	5
Other paid leave only <sup>c</sup>	57	57	57
Other paid leave combined with unpaid leave <sup>d</sup>	3	3	3
<b>Sample n</b>	818	693	1,511

Notes:

- Figures have been weighted to account for non-response bias. Due to rounding, figures may not add to 100%. Sample counts unweighted.
- Paid paternity leave is combined with either unpaid paternity leave, ‘other’ unpaid leave, paid annual leave, paid sick leave, paid long service leave or ‘other’ paid leave. Unpaid paternity leave may also be taken.
- Paid leave includes paid annual leave, paid sick leave, paid long service leave and/or ‘other’ paid leave.
- Unpaid leave includes either unpaid paternity leave or ‘other’ unpaid leave.

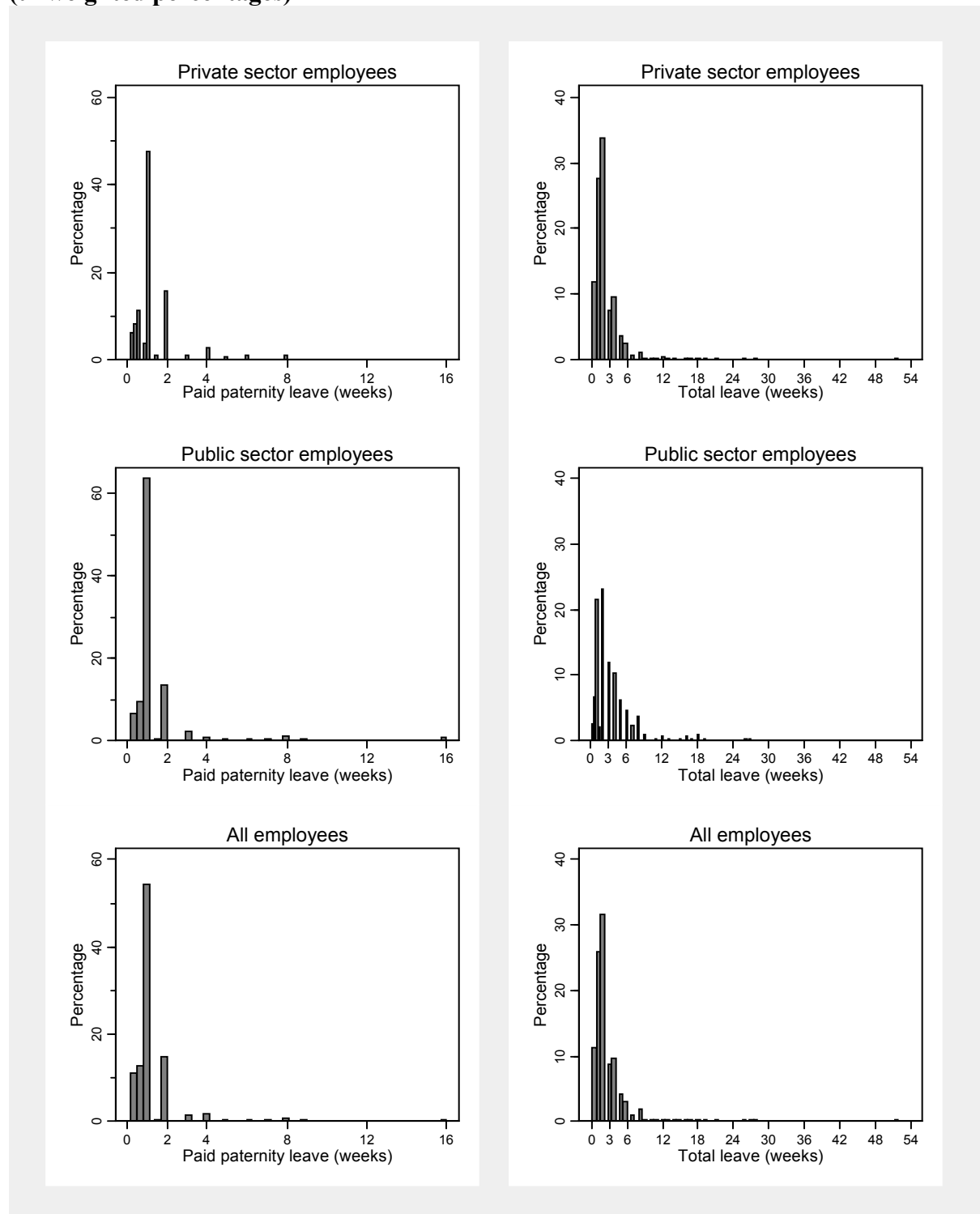
Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

Figure 2 adds information on duration of leave for fathers, showing that the most common period of paid paternity leave was one week, regardless of sector: in total over 50 per cent of those taking some paid paternity leave took one week or less. The most common total duration of leave was around two weeks. Overall, in relation to fathers’ use of leave, we note the limited use of paid paternity leave, the heavy reliance on other forms of paid leave and the limited duration of leave taken by fathers at the time of the birth of a child.

<sup>12</sup> None of the four same sex couples from LSAC Wave 1 responded to the Wave 1.5 survey. We use the term ‘father’ to refer to the mother’s male partner, who may not necessarily be the child’s biological parent.

<sup>13</sup> Full details of these breakdowns are available from the authors.

**Figure 2: Distribution of weeks away from a job on paid paternity leave and all leave by sector, fathers working for an employer prior to a birth who take leave (unweighted percentages)**



Note: Percentages in left hand graphs are based only on those who used some paid paternity leave, while the percentages in the right hand graphs are based on those who took any leave.  
 Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

### 3. Parents' perceptions of the adequacy of their leave entitlements and their policy needs

In this final section we draw on some of the questions about leave experiences and policy preferences from our survey data. Table 10 presents the frequencies with which mothers identified particular problems with their leave experience. Several of the issues are associated with dissatisfaction relating to leave duration. For example, 47 per cent of these respondents would have taken longer leave if they had access to some (or more) paid maternity leave, and this proportion was only marginally lower among those who had used some paid maternity leave compared with those who had not (46 compared with 49 per cent), indicating that even those who were able to access this entitlement did not have a sufficiently long period of paid leave. The other frequently identified item relating to duration was the statement that respondents had returned earlier than they would have liked because they needed the money (46 per cent overall, with the response rate slightly higher among those who had not used any paid maternity leave).

**Table 10: Perceptions of satisfaction with leave, mothers of children born March 2003-February 2004<sup>a</sup>**

Agreement with following statements about experiences while on leave (%) <sup>c</sup>	Mothers who worked for an employer, took leave & returned to a job within 15 months of birth <sup>b</sup>		All
	Paid maternity, with/without other leave <sup>d</sup>	Other leave only <sup>d</sup> , no paid maternity leave	
Would have taken longer if access to some, or more, paid mat leave	46	49	47
Would have taken longer if access to some or more unpaid mat leave	10	5	8
Returned earlier than liked because worried about job	9	9	9
Returned earlier than liked because needed the money	42	50	46
Maintaining household income was difficult while I was on leave	39	40	39
My leave wasn't long enough to establish breastfeeding	2 <sup>‡</sup>	2 <sup>‡</sup>	2
Leave I took for health reasons prior to the birth was counted as part of my maternity leave	10	5	7
I was dismissed while I was on leave	5	10	15
None of the above	27	23	25
<b>Sample n</b>	<b>575</b>	<b>543</b>	<b>1,118</b>

Notes:

- Figures have been weighted to account for non-response bias. Sample counts unweighted.
  - 15 months was the age of the youngest children in the sample (born March 2003-February 2004) at the time of the survey. We adopt this cut off for consistency.
  - Respondents could mark more than one option, hence percentages do not sum to 100%.
  - Other leave here refers to any leave not designated paid maternity/parental leave and could include any combination of the following types: unpaid maternity/parental leave, other unpaid leave, paid annual leave, paid long service leave, paid sick leave or other paid leave.
- <sup>‡</sup> Figures should be treated with caution as based on small cell count.

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

While it is perhaps unsurprising that mothers would prefer to have some, or more, paid maternity leave, analysis of the data indicates that the likelihood of expressing the desire for more leave (or indicating an early return for financial reasons) decreased markedly among those who took a leave period of between nine and twelve

months<sup>14</sup> - that is, there is not simply an unlimited demand for paid maternity leave. In combination with the observation from Figure 1 that the modal total period of leave taken is 12 months, our analyses suggest that this would be an optimal period to fund.

Finally, we present some figures on policy preferences among couple families (Table 11).<sup>15</sup> These figures underline a widespread perceived need for better parental leave provisions, especially among families with both parents engaged in paid employment (67 per cent of families in which both partners worked full-time prior to the birth of the child identified items relating to better parental leave provisions as measures that would have been helpful). In particular, demand was high for paid maternity (and to a lesser extent, paid paternity) leave, while only a small proportion of families identified longer unpaid parental leave as something that would have improved things for them.<sup>16</sup>

**Table 11: Policy preferences among couple families with children born March 2003-February 2004, by parents' employment status prior to the birth (percentages)**

Which of the following would have improved things most for you in the period since your child was born? <sup>b</sup>	Father full-time, mother not empld <sup>c</sup>	Father full-time, mother part-time <sup>c</sup>	Father full-time, mother full-time <sup>c</sup>	All couple families
<b>Better parental leave provisions</b>	<b>24</b>	<b>53</b>	<b>67</b>	<b>48</b>
More, or some, paid maternity leave	5	43	59	37
More, or some, paid paternity/parental leave	19	26	33	25
Longer unpaid maternity leave	2	7	9	6
Longer unpaid paternity/parental leave	3	3	4	3
<b>Better workplace provisions on return to work</b>	<b>15</b>	<b>24</b>	<b>35</b>	<b>25</b>
Better access to part-time hours on return to work	9	14	22	15
More family leave options on return to work	8	10	17	12
Better, or some, breastfeeding facilities at work	1 <sup>‡</sup>	7	9	6
<b>Higher, or some, maternity payment from govt</b>	<b>20</b>	<b>39</b>	<b>47</b>	<b>36</b>
<b>Better child care provisions</b>	<b>36</b>	<b>50</b>	<b>57</b>	<b>47</b>
More accessible child care	16	22	28	22
More affordable child care	31	43	45	39
Better quality child care	11	14	17	14
<b>None of the above</b>	<b>43</b>	<b>21</b>	<b>12</b>	<b>25</b>
<b>Sample n</b>	<b>800</b>	<b>997</b>	<b>1,120</b>	<b>3,288</b>

Notes:

- Figures have been weighted to account for non-response bias. Sample counts unweighted.
- Respondents could mark more than one option, hence percentages do not sum to 100%.
- Fathers and mothers working hours refer to the job they were working in prior to the birth. The majority of full-time mothers (71% unweighted) in column 4 returned to a part-time job after the birth. A significant minority of mothers working either part-time (32% unweighted) or full-time (33% unweighted) prior to the birth had not returned to employment before the infant reached 16 months.

Source of data: *The Parental Leave in Australia Survey* conducted in conjunction with LSAC Wave 1.5

<sup>14</sup> Most of these respondents took a 12 month period. The analysis referred to controls for a wide range of possible influences including type of leave used, partner's income and employment characteristics. Further details will be published in a forthcoming paper in the *Asia-Pacific Journal of Human Resources*, or can be obtained from the authors.

<sup>15</sup> Figures for single parent families can be obtained from the authors.

<sup>16</sup> Further analysis of these policy preferences will be presented in a forthcoming paper to the Australian Institute of Family Studies conference in July 2008.



## **Conclusion and recommendations**

The need for a universal model of paid leave is apparent in our data: in the limited uptake of paid maternity and paternity leave in the current policy environment; in the highly uneven access to paid leave provisions; in the tiny proportion of mothers who rely solely on paid maternity leave; in the prevalence of the use of other leave entitlements for parenting; in mothers' perceptions of 'returning too early' for financial reasons; and in parents' expression of their policy needs.

Key questions in the development of a new paid leave scheme will be eligibility criteria and leave duration. In terms of eligibility criteria, our survey data show that a considerable proportion of employed parents falls outside the net of the current prerequisite for access to the statutory unpaid parental scheme – these include the self-employed and employees without consistent 12 months tenure with one employer prior to the birth. Moreover, amongst employees, access tends to be most limited in areas of the labour market where women are likely to be concentrated (for example, in part-time and casual work, in small organisations, and in elementary clerical and sales occupations). Fathers, also, are less likely to have access if they are low earners, or employed in non-permanent jobs or small organisations. This situation is inequitable, and particularly problematic in the context of the expansion of non-standard employment.

We therefore recommend that a shorter period of tenure with one employer (maximum of six months) be adopted for a new paid leave scheme, and that access to any additional period of unpaid leave also be subject to that shorter period. In addition, the scheme devised should be funded in a way to enable the self-employed to have access to entitlements.

In terms of leave duration, our evidence suggests that a period of 12 months is optimal, and while we recognise that providing 12 months paid leave may need to be approached in stages, we view it as the appropriate goal. Already it is apparent that 12 months leave is the modal period taken by Australian mothers, and a period of paid leave around this length is not excessive by international standards.

In addition, we note that any provisions for paid leave for parenting must provide job protected leave and be accompanied by a right to request return to part-time, or otherwise flexible, employment.<sup>17</sup>

In presenting these recommendations our overall perspective on paid maternity/partner/parental leave has been to view them as employment entitlements which have a particular role to play in contemporary societies where dual-earner households have become the norm and the pressures of balancing work and family are widely experienced as a normal part of the life course. The goals of a policy to provide this form of leave are wide-ranging, including enhancing the health and well-being of parents and children (by enabling both parents to be involved with parenting while their children are young), improving the efficiency of the labour market (by improving skills retention and reducing turnover), and advancing gender equity both in the labour market and the household (by enhancing women's labour force

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<sup>17</sup> As noted earlier, full details of the paid leave model we support are contained in the submission from the Work and Family Policy Roundtable.

participation, attachment and career progression and normalising absences associated with parenthood for both mothers and fathers, as well as by encouraging the sharing of unpaid caring work in the family). While governments may also wish to assist all families with funding support around the time of the birth of child, we argue that this type of support should not be confused with employment entitlements but rather should be approached as a social welfare issue (whether the goal is all families or families in particular financial need).

We would be happy to discuss any aspects of our recommendations with the Inquiry, and look forward to the development of an appropriate model of paid leave for parenting in Australia.

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