



**Government of
South Australia**

**South Australian Government's submission to the
Productivity Commission's Draft Report
Paid Parental Leave: Support for Parents with Newborn Children.**

November 2008

Introduction

The South Australian Government welcomes the opportunity to make this submission to the Productivity Commission's Draft Report - Paid Parental Leave: Support for Parents with Newborn Children.

The South Australian Government recognises the significance of Australia being one of only two countries in the OECD (Organisation for Economic Co-operation and Development) not to have implemented a national paid maternity leave scheme.

Since 2004, the South Australian Government has advocated that the Commonwealth Government should implement a national paid maternity leave scheme.¹

The South Australian Government supports the Productivity Commission's proposal that a predominantly Commonwealth funded paid parental leave scheme be introduced and the South Australian Government sees merit in the Commission's proposed model.

The Policy Objectives

The Draft Report identifies three primary objectives, and related benefits, that support a case for paid parental leave:

1. Enhancing maternal and child health and development
2. Facilitating workforce participation
3. Promoting gender equity and work/family balance²

South Australia welcomes these objectives and the subsequent design of the proposed parental leave mode, for the flow on benefits they will bring to the state in the following areas:

Enhancing maternal and child health and development

South Australia is recognised as a national leader in early childhood development and has contributed prominently to COAG's early childhood reforms.³ South Australia supports the introduction of a Commonwealth scheme that includes an entitlement to paid maternity leave that can support a mother's post-birth recovery, infant growth and development (optimally achieved by breastfeeding) and bonding of mother and infant.

¹ *Prosperity through People: A Population Policy for South Australia*, 2004 p.14 & 17:
http://www.southaustralia.biz/library/Population_Policy.pdf.

Refer also to *South Australia's Action Plan for Early Childhood and Child Care: Council of Australian Governments, National Reform Agenda, Human Capital Reform*, 2007. "Improvements in areas that are the primary responsibility of the Australian Government are an essential part of the COAG early childhood and child care reform agenda. The introduction of a national paid parental leave scheme is a leading example of reform ... (and) one of the highest reform priorities for the Government of South Australia", p.4:
http://www.premcab.sa.gov.au/pdf/coag/coag_ap_childhood.pdf.

² Draft Report, Objectives, Chapter 1

³ South Australian early childhood care examples are cited in speeches by Federal Parliamentary Secretary for Early Childhood Education and Child Care, the Hon Maxine McKew MP such as *Speech: Investing in Our Future: Connections in Childhood*, 9 July 2008, <http://mediacentre.dewr.gov.au/mediacentre/McKew/Releases/InvestinginOurFutureConnectionsinChildhood.htm>; COAG, *Communiqué - Productivity, Education, Skills and Early Childhood*, 3 July 2008: http://www.coag.gov.au/coag_meeting_outcomes/2008-07-03/index.cfm#productivity

The Draft Report specifically requests further information on government programs that support parents with children under two years of age.⁴ Appendix 1 features a case study on South Australia's early childhood and parenting centres highlighting the potential impact of paid parental leave in this area.⁵

Facilitating workforce participation and promoting gender equity and work-family balance

South Australia has a high proportion of its female workforce in part-time or casual employment. Women represent 70.5% of South Australia's part-time workforce, compared to 29.5% for men. South Australia also has a high proportion of females in casual employment - 37.4% of all female employees were casual (compared to the Australian average of 31.6%).⁶ South Australia therefore welcomes the Productivity Commission's particular identification of these groups, for whom voluntary private provision of employer-funded paid parental leave schemes is particularly low.⁷

As South Australia is the second fastest ageing state in the country, with a higher proportion of the 'oldest old' than the national average, boosting female workforce participation rates of women of childbearing age is of critical importance.⁸

A survey found that 23% of women who had quit their job and had been with their employer for more than 12 months, identified a lack of paid maternity leave as one of the reasons they chose to quit.⁹ Findings from the consultations of South Australia's Women's Employment Participation Initiative¹⁰ indicate that women who are out of the workforce for a period time can lose confidence in their skills and abilities to return to work and need additional support to re-enter the workforce.

Affording women the opportunity to access paid maternity leave and remain linked to their current employment is a significant step in ensuring that women gain equal access to work and the associated social and economic benefits that brings¹¹.

Impact on small business

Small business is an important sector in the South Australian economy and an employer of women of childbearing age. The South Australian Government notes that the Productivity Commission recognises the possible impact on smaller firms in industries with a high concentration of female employment. The South Australian Government would encourage the implementation of any system to recognise the importance of minimising red tape for employers.

The South Australian Government also notes that the Productivity Commission view their model will deliver benefits to business via female labour force participation and improved opportunities for attraction and retention; and that costs to small business will be balanced by the low likelihood of a parental leave event occurring.¹²

⁴ Draft Report, Draft Recommendations, xxxix

⁵ Refer to discussion on paid parental support and early childhood development in Appendix 1 of this submission.

⁶ ABS Cat. 6291.0.55.003 Labour Force, Australia, Detailed Quarterly, Year to May 2008 average; The Australian Institute for Social Research (2005) "Women at Work: A statistical review of trends in women's employment in South Australia", p.25, <http://www.sapo.org.au/pub/pub4161.html>

⁷ Draft Report, Overview, p.xv

⁸ ABS, Cat. 3201, *Population by Age and Sex*, June 2007.

⁹ Whitehouse, Baird & Hosking, 2006, *The parental Leave in Australia Survey: November 2006 Report*, www.uq.edu.au/polsis/parentalleave/level1-report.pdf

¹⁰ The Women's Employment Participation Initiative is an initiative of the Department of Further Education, Employment, Science and Technology, the Office for Women, and SafeWork SA.

¹¹ These issues are discussed in more detail in South Australia's Submission to the House of Representatives Standing Committee on Employment and Workplace Relations *Inquiry into Pay Equity and Associated Issues Related to Increasing Female Participation in the Workforce*.

¹² Draft Report, Business Impacts 7.1

Supplementary Considerations

The South Australian Government would encourage the Productivity Commission to recommend that the paid maternity, paternity and parental leave national policy be accompanied by:

- ongoing revision of existing and intersecting Commonwealth social welfare and family benefits, to ensure a minimum support base for parents with newborn children, regardless of their employment status
- a review of the Commonwealth Government's role to enhance accessible, affordable, quality child care arrangements to further support working parents
- consideration of related industrial relations and work-life balance issues, such as the right to return to work and the right to request part-time work, as well as other government policies, such as the calculation of long service leave and superannuation contributions.¹³

¹³ Within the industrial relations context, the South Australian Government also draws your attention to its submission to the House of Representatives Standing Committee on Employment and Workplace Relations *Inquiry into Pay Equity and Associated Issues Related to Increasing Female Participation in the Workforce*.

Appendix 1

The Draft Report specifically requests further information on government programs that support parents with children under two years of age.¹⁴ The following is a case study on *South Australia's Children's Centres for Early Childhood Development and Parenting*.¹⁵

The South Australian Government believes that to achieve strong early childhood outcomes, the interaction of parents with quality programs is of utmost importance. The Government of South Australia supports this position through its Children's Centres initiative, which aims to:

- support parents in their critical role of promoting their child's learning and life opportunities
- support the child within their family and community context
- are inclusive of children with different abilities and different economic, cultural and linguistic circumstances
- focus on prevention and early intervention
- focus on teamwork – building a team of professionals and volunteers, working together to promote success and opportunities for children, families and communities.

The Children's Centres are part of the South Australian Government's commitment to implementing the recommendations of the Virtual Village report into early childhood services.¹⁶ The report summarises the evidence of the benefits of improved services for children from birth to eight years and their families and recommends many cross agency initiatives to develop them. Children's Centres bring together a mix of childcare, education, health and family support services into one service – often on a primary school site. Qualified early childhood staff from a range of professions work together with families to provide a high quality integrated service that is tailored to meet the needs of that local community.

There are 24 South Australian centres planned and seven are currently operating. Centres are being established in areas with significant numbers of families experiencing disadvantages, based on research that the most effective approaches to families experiencing multiple disadvantages are integrated whole-of-government approaches. During his recent visit to Adelaide as part of the *Thinker in Residence Program*, Dr Fraser Mustard, world expert in Early Childhood Development, advocated for an extended period of paid parental leave that would be shared by both parents including a regular day (at "work") at an Early Childhood and Parenting Centre.

The provision of high quality child care, early childhood education, health and family support services are strongly linked to improved outcomes for children. However, research also makes a strong case for a whole of system approach where parents and family members are supported to provide high quality care and child development activities to their own child in their own home.

Financial assistance in the form of maternity and paternity leave would enable this to occur for a significant number of families who are financially stressed. However, in the Children's Centre areas, some of the families' disadvantages are due to either lack of employment, employment as casual labour only or employment in very low-income jobs. All of these factors mean that those families may not receive the benefits of any maternity/paternity scheme unless it includes casual workers (who we know are predominantly women) and those who receive the lowest incomes.

¹⁴ Draft Report, Draft Recommendations, xxxix

¹⁵ Department of Education and Children's Services, 2005, *We Can Make A Difference: Learning & Developing in Child Care*: http://www.earlyyears.sa.edu.au/pages/about/Make_a_difference/.

¹⁶ Department of Education and Children's Services, 2005, *The Virtual Village: Raising a Child in the New Millennium*: <http://www.ecsinquiry.sa.gov.au/>.