Paid Maternity Leave Submission

for the
Sex Discrimination Unit
Human Rights and Equal Opportunity Commission

Work/Life Association Australia Inc.

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1. Introduction

1.1 Work/Life Association Australia Inc is the premier not-for-profit organisation in Australia dedicated to assisting the business community create and maximise options to help their workers juggle work and life commitments.

Our objectives are two-fold. At one level, we promote debate through regular roundtables and major conferences to encourage Australian workplaces to move forward as progressive and efficient organisations. Secondly, the Association encourages employers to adopt work/life best practice.

1.2 Work/Life Association Australia Inc is of the view that the foundation of good employer work/life programs is strong relevant public policy initiatives, accessible community services, and robust debate and research on areas relevant to the work/life juggle. Such employer programs should meet the dual agenda of meeting organisational needs and ensuring the identification and removal of systemic barriers to men and women achieving positive work/life balance.

1.3 In light of this belief, as our major event for 2002, Work Life Association facilitated a debate entitled Parental Leave - Can we bear the Pain? on June 28, 2002. The purpose of the debate was to stimulate informed discussion about the pros and cons of introducing a national paid maternity scheme. The debate was held at the Melbourne Town Hall and over 70 people attended from a range of private and public sector organisations.

2. General Summary

2.1 Work/Life Association Australia Inc applauds the Sex Discrimination Unit HROEC, for its Options paper and its call for broad public debate on this issue.

2.2 It believes that Australia should no longer be out of step with the majority of OECD countries where paid maternity leave is available. It supports a paid parental leave scheme, and considers that an Australian
standard in this regard should be in line with the new ILO Maternity Protection Convention 2000 which supports paid parental leave to 14 weeks.

2.3 We recognise that this issue requires open debate in terms of objectives, funding, and accountability and must truly embrace the notion of valuing parenthood and thus pay attention to the needs of parents in and out of the workforce. Indeed, we emphasise the point made in the Options paper -" Paid maternity leave alone will not fully meet these policy objectives. Social and economic issues such as women’s health, workplace equity and employment security are complex and cannot be guaranteed by any single action. Instead, paid maternity leave should be seen as one of a range of measures that could be used to meet these objectives."

2.4 The issues regarding return to work are of concern to our organisation. Whilst recognising the need for some predictability re return to work to meet employer needs, we also believe support is required for mothers who wish to spend longer periods of time out of the paid workforce to care for their children and also believe the majority of Australian women want access to part-time and flexible work options to assist combining work and family care.

2.5 As stated in 1.2 above we believe that there is a need for quality research to inform debate, the Options paper indicates the lack of Australian research in this regard. We note also that in 1999, the HREOC Report of the National Pregnancy and Work Inquiry: Pregnant and Productive recognised the importance of paid maternity leave and recommended that the Federal Government commission economic modelling to assess the viability and consequences of such a scheme. This, we believe, is work, which needs to be done.
3. Submission

3.1 Our submission draws on the input of the participants and attendees of the debate (1.3 above)

The speakers included those for the introduction of paid maternity leave:

- Pru Goward, Sex Discrimination Office Commissioner, Office of the Status of Women
- Mr John Cameron, Executive Director, University Services, Australian Catholic University
- Cath Bowtell, ACTU Industrial Officer

Against

- David Gregory, VECCI, Manager Workplace Relations
- Julia Cambage, National Executive Director Family Business Australia
- Charles Brass, Director, Future of Work Foundation

At the conclusion of the debate the participants were formed into discussion groups in order to gather opinions to assist Work Life Association collect information to provide some comment on the Valuing Parenthood: Options for Paid Maternity Leave: Interim Paper 2002.

Participants were provided with a handout outlining the range of models for paid maternity leave suggested in the options paper.

3.2 This submission does not address all the questions raised in the discussion paper it does, however, give a flavor of the discussion of a relatively informed group of Australians regarding the introduction of a paid maternity scheme in terms of the schemes objectives, structure of scheme and funding.

3.3 The following is a synopsis of the responses of the group to the questions posed in the Options paper:
3.3.1 Do you support a national scheme of paid maternity leave?
There was overwhelming support for the introduction of some form of paid maternity scheme in Australia from the participants - 56 supported the introduction of some form of paid maternity scheme and 3 did not support the introduction of any such scheme. All groups supported the principle of the introduction of a paid maternity leave scheme but varied on the model they preferred. In addition to the high level of support for the introduction of paid maternity leave, there was a strong view held even by those opposing the concept, that introduction is inevitable at some stage.

3.3.2 What do you see as the primary objectives for introducing paid maternity leave in Australia?
The participants raised a number of objectives for introducing paid maternity. These include:

- Business benefits e.g. retention of staff in the long term
- Related to productivity of the workforce combined with future economic growth
- Social equity
- Job security for women

3.3.3 What would the costs and benefits of paid maternity leave be for business and the community?
Participants identified the following issues:

- Cost to the community of the scheme itself - whichever scheme is chosen
- Alienation of those who choose not to have children, who may favour shouldering the cost.
- Cost to knowledge if workforce loses talent
- Benefit to employers in encouraging women to return to work after childbirth
3.3.4 To what extent do you think paid maternity leave would act as an incentive to women to remain in work during pregnancy and return to work after the birth of a child? Most felt that it would act as an incentive to return to work. However there was a perception that the introduction of such a scheme would not improve fertility rates.

Structure of scheme
3.3.5 Should payment be provided to women or both men and women? The majority view was that the payment should be to the mother as there were compelling arguments related to issues of health and well-being of mother and baby.

3.3.6 Should payment be limited to women in paid work or be available to all women? The view was that this should relate to those in the paid workforce but subject to some means testing at the upper levels, however the British three-tiered model was mooted by some. Despite the majority seeing the focus as being on those in the paid workforce, the participants did not resile from the need for a range of supports for new mothers and parents generally, whether in or out of the paid workforce.

3.3.7 Should eligibility be limited to women with a minimum length of employment? There was consensus that such limits should not apply.

3.3.8 What weekly amount of paid maternity leave should be paid and for how long? The views expressed varied, covered the following:
100% income replacement, minimum government funded with top up from employer scheme, consideration of the opportunities afforded through work changes, for example, with a more mobile workforce, long service leave is rarely provided, employees could be given the choice of signing up for either long service leave or paid maternity leave at the beginning of their contract with an employer. Some ceiling on amounts was seen to be the only politically acceptable option.
3.3.9 How should paid maternity leave be funded? Should government, business and/or employees contribute?
The following views were expressed:
- Majority supported a universal Government funded model with funding to come out of general taxation system
- UK example favored by several discussion groups where government reimburse employer at different levels
- A universal scheme was supported but recommended attention (even at the debate stage) to the issue of safeguards i.e. - accountability, need for incentives to return to work, community needs assurance that the money will not disappear into the ether.
- Paid Maternity Leave - just the start/may not be major factor for some
- Issues continue after Maternity Leave - return to workforce, dealing with child care, reduction of government support for it
- Assistance by flexibility in other leave provisions e.g. use of sick leave etc.

3.3.10 Is there a particular model of funding that you prefer?
The five possible models for providing paid maternity leave were discussed:
- A government funded employment based payment
- An individual employer funded payment
- A government funded universal payment
- A social insurance/superannuation style system
- An employer levy

The preferred option was a Government funded, universal scheme.

3.3.11 What are your views on the use of an employer levy to fully or partially fund paid maternity leave? If a levy were introduced, should certain businesses be exempted?
While the majority view was that the scheme should be government funded, there could be some exploration of ways of engaging large business to contribute as part of its social responsibility agenda.
3.3.12 What are your views on the use of a superannuation/social insurance model to fully or partially fund paid maternity leave? If such a model were used, should employees be required to contribute to funding? The view was that in that scenario, it would need to be a voluntary scheme, which might encourage people to save and could be available for both men and women.

4. General Observations and Summary

4.1 Work/Life Association Australia supports the introduction of a universal government funded paid maternity leave scheme that does not require individual employers to be directly liable for part or full payment. It is recommended that funding be obtained from general taxation revenue, where the cost is spread across all taxpayers and payment is made through the social security system.

4.2 The objectives of the scheme need to be clearly articulated. The objectives should be realistically achievable through such a scheme. In our view the main objectives are:

- health and well-being of mothers and babies, through access to restorative leave after childbirth and reduction of financial stress.
- social equity for women, including addressing systemic discrimination, fairness (especially with respect to current inequities in relation to access to paid maternity leave, currently available to about a quarter of working women).
- supporting women's choices, ensuring that women are not disadvantaged in their employment through their intrinsic role in child bearing, and developing socially responsive Australian workplaces.
- benefit to employers by facilitating staff retention, contributing to diversity in the workplace and contributing to Australia's competitiveness, and through protecting significant capital investment by the government in the education and training.
4.3 We agree with the statement in the Options paper, “identifying and assessing relevant objectives for a paid maternity leave scheme is important in considering the possible characteristics of such a scheme, in particular the duration of paid leave, eligibility requirements, size of payments and funding source. In addition to this, there might be other policy measures which better or already meet these objectives.” For example, the issue of the contribution of this proposal to improving fertility rates (a national imperative) appears difficult to sustain in light of the experience in other countries.

4.4 The issues regarding return to work are of concern to our organisation. Whilst recognising the need for some predictability re return to work to meet employer needs, we also believe in supporting mothers who wish to spend longer periods of time out of the paid workforce to care for their children and also believe the majority of Australian women want access to part-time and flexible work options to assist combining work and family care.

4.5 We strongly urge that attention to given to research and economic modelling to illuminate (but not prolong) the debate.

5. Authors

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