

Submission to the Senate Standing Committees on Community Affairs

**Fairer Paid Parental Leave
Amendment Bill 2015**



Public Service Association of NSW
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Introduction

The Public Service Association of NSW (PSA) is a registered union under the Industrial Relations Act 1996, representing New South Wales public sector employees and general staff in universities. The union represents approximately 39,000 members spread over 4,000 worksites.

The PSA's membership includes:

- People who work for NSW government departments
- Correctional Officers
- Juvenile Justice Officers
- Sheriffs
- School and administrative and support staff in NSW public schools
- People who work in NSW budget funded agencies
- General staff in NSW universities
- General staff in TAFE
- Non-uniformed staff in the Police Service
- Some classes of employees in statutory authorities and State Owned Corporations such as Landcom, Pillar Administration electricity generators, Roads and Traffic Authority and many others.

The PSA welcome the opportunity to make a submission to Senate Standing Committees on Community Affairs.

Summary of position

Combining two schemes - double dipping or topping up?

The Public Service Association of NSW opposes any changes to members' entitlements to supplement their existing employer-funded maternity leave with the Commonwealth paid parental leave (PPL) scheme. Currently most PSA members can access both schemes to ensure access to a minimum of six months' paid leave.

The recommendation of a number of authorities is that a minimum of six months total parental leave is necessary for infant and maternal health.

The existing approach, is working as intended. This system enables working mothers to spend time with their infant and supports them to remain in the workforce in the longer term. This leads to both increased workplace productivity and better health for the mother and child. This is a compelling business case to support our members continued access to PPL.

Existing employer funded maternity leave schemes result from bargaining between employers and employee groups. Had paid maternity or parental leave never been bargained for, unions could have negotiated other benefits for all members, including but not limited to increased pay and conditions (such as additional annual leave, sick leave and carer leave). Given that the union has surrendered potential benefits when it negotiated funded maternity leave, it is unfair to subsequently deny members access to a tax payer funded scheme that other groups of workers access.

The Public Service Association of NSW call on the Senate to reject this Bill.

Relevant International Instruments

International instruments relevant to paid parental leave include:

- the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW)
- the *Convention Concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities* (ILO Convention 156)
- the *Convention on Rights of the Child*
- the *Maternity Protection Convention 2000* (ILO Convention 183)
- the *Maternity Protection Recommendation* (ILO Recommendation 191)

The two binding agreements relevant to paid parental leave are CEDAW and ILO Convention 183 (many of the instruments are non-binding, despite Australia being a signatory).

CEDAW is a key international instrument that provides that women should not be discriminated against on the ground of maternity and prohibits dismissal on the grounds of pregnancy.

The need for adequate periods of Paid Parental Leave

A key objective of paid parental leave is improving the health and wellbeing of mothers, children and families generally. Mothers need time to recuperate from the birth of a child, to establish breastfeeding and to bond with their new infant. The early years of a child's life are important for future health and development of their emotional, social and mental capabilities. Parental, and particularly maternity, leave can improve the quality of these early years.

A period of absence from work after birth is of utmost importance to the health of the mother and the infant. This is conducive to both the optimal growth of the infant and the bonding between mother and infant. Absence from work also allows the mother to recover. (WHO 2000)

The issue of paid parental leave is becoming more important because of the increasing role of women as simultaneous carers and workers, whose income is essential to the family in order to maintain a decent standard of living and meet rising mortgage costs.

Women participate in work at rates higher than at any other time in Australia's history. In the key reproductive years of 25 to 34 years, (partnered) female participation rates increased from around 45 to 70 per cent from 1978 to 2008.¹

There is compelling evidence of child and maternal health and welfare benefits from a period of absence from work for the primary caregiver at least six months is beneficial².

Returning to work too early may prolong maternal recovery time and increase the risk of depression and anxiety³. To ensure proper recover, the length of absence from work after birth should be at least six months.

¹ Paid Parental Leave: support for Parents with Newborn Children. Productivity Commission Inquiry Report No. 47, 28 February 2009.

² Ibid 1

A survey of women who gave birth in Victoria revealed that 94 per cent of women experienced one or more health problems in the first six months after childbirth — the most common being tiredness (69 per cent) and backache (44 per cent), but also included urinary incontinence, bowel problems, haemorrhoids, mastitis and depression⁴.

Another study in the ACT found that while problems such as exhaustion/extreme tiredness and backache declined over the first six months, 49 per cent of women reported these health problems between 17 and 24 weeks postpartum and just six per cent of women reported no health problems in the first eight weeks after childbirth⁵.

The risk of depression and anxiety is particularly high when an early return to work coincides with maternal fatigue, poor general health, marital concerns and/or poor social support,⁶ making short leave, especially when combined with other risk factors, a risk factor for depression.

Hence, there are health and welfare benefits for mothers and babies from a period of postnatal absence from work for the primary caregiver of around six months or possibly longer⁷. However, this may not be possible without adequate financial support.

Society as a whole pays the health costs and other consequences of poorer outcomes for children and parents. Conversely, there may also be long term productivity benefits from improved child and maternal health.⁸

The most common reason given by women for returning to work earlier than they would have preferred, is insufficient maternity leave⁹.

Breastfeeding

In Australia most women exclusively breastfeed for much shorter periods than the recommended six months (and also breastfeed at lower rates than many other countries), despite high initiation rates. Extended paid parental leave may allow mothers to prolong breast feeding, as time is needed to establish breastfeeding and infant care regimes to obtain optimal health and development outcomes for the child¹⁰.

There is significant epidemiological evidence suggesting that babies benefit from exclusive breastfeeding for up to six months. Benefits extend beyond childhood to adult life and include a reduction in respiratory tract infection and eczema, cognitive gains, reduced levels of obesity, diabetes, high blood pressure, and reduced incidence and severity of a number of infectious diseases including gastrointestinal illnesses, respiratory tract infections and middle ear infections¹¹.

³ Ibid 1

⁴ Brown, S. and Lumley, J. (1998), Maternal health after childbirth: results of an Australian population based survey

⁵ Thompson, J F, Roberts, C L, Currie, M and Ellwood, D (2002), Prevalence and Persistence of Health Problems After Childbirth: Associations with Parity and Method of Birth, Birth Volume 29, Issue 2.

⁶ Hyde, J.S., Klein, M.H., Essex, M.J and Clark, R 1995, 'Maternity leave and women's mental health', Psychology of Women Quarterly, vol. 19, no. 2, pp 257–85.

⁷ Productivity Commission

⁸ Ibid 1

⁹ Ibid 1

¹⁰ Ibid 1

¹¹ AAP (American Academy of Pediatrics) 1997, 'Breastfeeding and the use of human milk', *Pediatrics*, vol. 100, no. 6, pp. 1035–39.

Some studies have also demonstrated a correlation between breast feeding and intelligence later in life¹².

Further, mothers who breast feed for at least six months have an earlier return to pre-pregnancy body weight, benefit psychologically, recover faster from childbirth and have a reduced risk of breast and ovarian cancer¹³.

In 2000, the World Health Organisation(WHO) commissioned the Cochrane Review of scientific literature on the optimal duration of exclusive breastfeeding. The review recommended exclusive breastfeeding for six months¹⁴.

The benefits of breast feeding may lead to long term health care savings.

While paid work and breastfeeding are by no means mutually exclusive, breastfeeding is time-intensive and requires mothers either to be with their babies or in a position to express and store milk. Regular feeding or expression is necessary to maintain milk supply. Continuing to breastfeed can be difficult or challenging for some mothers returning to full time work soon after commencing breastfeeding. Studies have demonstrated that women who return to work less than six months after the birth are likely to lessen or cease breast feeding when they return. Further, the longer the hours worked, the more likely they are to reduce or cease breastfeeding, with self-employed women being the exception. Women with access to flexible work arrangements have higher rates of breastfeeding than women who do not have access to flexible working arrangements¹⁵.

Thus, continuing breastfeeding requires both adequate maternity leave and a strengthening of the right to return to work provisions (which enable women to request flexible or part time work following maternity leave).

There is some evidence that parental leave increases the duration of breastfeeding¹⁶.

Length of Parental Leave & ‘topping up’

The ability to access both employer funded maternity leave and then the Commonwealth PPL scheme is essential in ensuring mothers can take at least six months of paid leave.

The existing scheme was designed to be utilised in exactly this manner, meaning the use of both schemes amounts to ‘topping up’, not ‘double dipping’¹⁷.

¹² Evenhouse, E. and Reilly, S. 2005, ‘Improved estimates of the benefits of breastfeeding using sibling comparisons to reduce selection bias’, *Health Services Research*, vol. 40, no. 6, pp. 1781–1802

¹³ Lobbok, M.H. and Colie, C. 1992, ‘Puerperium and breastfeeding’, *Current Opinion Obstetrics and Gynecology*, vol. 4, no. 6, pp. 818–25.

¹⁴ WHO (World Health Organization) 1998, *Evidence for the Ten Steps to Successful Breastfeeding*, WHO/CHD/98.9, Division of Child Health and Development, Geneva.

¹⁵ Baxter, J. 2008, ‘Breastfeeding, employment and leave: An analysis of mothers in Growing Up in Australia’, *Family Matters*, no. 80, Australian Institute of Family Studies (AIFS), Melbourne

¹⁶ Scientific Advisory Committee on Nutrition 2008, *Infant Feeding Survey 2005, A Commentary on Infant Feeding Practices in the UK — Implications for Policy and Practice*, Position Statement, Scientific Advisory Committee on Nutrition (SACN), London.

¹⁷ Ibid 1, Chapter 2

Long term economic benefits of Paid Parental Leave (PPL)

Studies have demonstrated a correlation between generous paid parental leave and long term labour force participation. French researchers studying the effects of changing paid parental leave from two months to six months¹⁸ found positive effects on employment. When compared to women in otherwise similar circumstances before the reform (where only two months leave was available), first-time mothers who took the six months paid parental leave after the reform were more likely to be employed after their leave, and less likely to stay out of the labor force. Similar results were observed by researchers in Canada¹⁹ and in Germany.²⁰

In an increasingly competitive global environment, no country can afford to overlook the potential contribution half of the potential workforce (ie women).

While levels of female participation in the paid labour force have continued to increase over the past few decades, and women now comprise over half the graduates from tertiary education institutions, women are more likely than men to be underemployed and/or underutilised²¹ and working in jobs necessitating skill levels below the level they are qualified or capable of working at²².

While an estimated 26% of women of child rearing age now work 45 hours a week or longer²³, duties outside work do not appear have decreased in proportion to this. Women spend an average of 41 hours per week on household chores, compared to 28 hours for men, and women making up around 82 per cent of carers in the 34-44 age bracket²⁴. It should come as no surprise that many women in this age group report high levels of stress and fatigue²⁵.

A 'fair dinkum paid parental leave scheme' would assist in supporting women who contribute so much to society and the economy to remain in the workforce.

Decisions by women around the time of birth of their baby are important for their future employment. In the absence of paid leave, many women are forced to resign from their jobs. It is subsequently harder to re-enter employment later, from outside the labour force²⁶.

This also impacts on businesses as skills are lost and recruitment and training costs increase.

¹⁸ Joseph, Olivier; Pailhé (2013). "The economic impact of taking short parental leave: Evaluation of a French reform". *Labour Economics*, 25(European Association of Labour Economists 24th Annual Conference, Bonn, Germany, 20–22 September 2012). doi:[10.1016/j.labeco.2013.04.012](https://doi.org/10.1016/j.labeco.2013.04.012).

¹⁹ Baker, M., Milligan, K., 2008. How does job-protected maternity leave affect mothers' employment? *Journal of Labor Economics* 26, 655–692.

²⁰ Kluge, J., Tamm, M., 2009. [Now daddy's changing diapers and mommy's making her career: evaluating a generous parental leave regulation using a natural experiment](#). IZA Discussion Papers 4500. Institute for the Study of Labor (IZA).

²¹ Women in NSW Report 2015, NSW Family & Community Services

²² Ibid 23

²³ Ibid 23

²⁴ Ibid 23

²⁵ Ibid 23

²⁶ Ibid 1

Adequate PPL increases labour force participation

During their prime reproductive ages, Australian women's participation rates are still significantly lower than many other OECD countries.²⁷

Access to adequate PPL, along with strong right to return provisions, is found to increase long term labour force participation²⁸ as women are not forced out of jobs on account of pregnancy. This has broad long term ramifications, for individual women, families and society. Workforce participation assists women to fund their retirement through superannuation and decreases welfare dependency.

International comparison

While most countries provide paid leave of around three to six months, some European countries, such as Norway and Sweden provide paid leave of around a year at near replacement wages. Stakeholders have noted that even poor developing countries have statutory schemes (for example, the Congo, Afghanistan, Somalia and Zimbabwe), though in reality these typically provide very limited coverage due to their small formal labour markets²⁹.

NSW public servants under the Crown Employees (Public Service Conditions of Employment) Award 2009 Clause 75.5 are currently entitled to up to 14 weeks paid maternity leave, without the additional paid leave provided by Commonwealth PPL scheme. Without being supplemented by the Commonwealth PPL scheme, this will put many Australian public servants behind many other countries including: the Congo (15 weeks at full pay); Brazil (17 weeks on full pay); Costa Rica (17 weeks on full pay); Cuba (18 weeks on full pay); Venezuela (26 weeks on full pay); Azerbaijan (126 days on full pay); Bangladesh (16 weeks on full pay); Iran (6 months on full pay); Singapore (16 weeks on full pay); Estonia (62 weeks on full pay); Kazakhstan (18 weeks on full pay); Lithuania (18 weeks on full pay); Montenegro (52 weeks on full pay) and Poland (26 weeks on full pay)³⁰ as well as the Scandinavian countries.

Conclusion

The PSA supports the right of members to supplement their existing employer-funded maternity leave with the Commonwealth paid parental leave scheme so that they can access a total of six months' paid leave, and call on the Senate to reject this Bill.

²⁷ Abhayaratna, J. and Lattimore, R. 2006, *Workforce Participation Rates — How Does Australia Compare?*, Staff Working Paper, Productivity Commission, Canberra.

²⁸ Rösen & Sundström 1996

²⁹ Ibid 1

³⁰ Maternity and paternity at work: Law and practice across the world. International Labour Organization. 978-92-2-128630-1