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## 6 Social and cultural issues

### Key points

- Most participants saw paid parental leave as helping to achieve broader societal objectives in the areas of:
  - the balance between paid work and family life, especially for mothers in the paid workforce
  - the involvement of fathers in the early months of a child's life
  - gender equity in the home and workplace.
- Some participants also felt that paid parental leave would further signal the importance of children in society and that the design of any scheme should focus on impacts and outcomes for children as much as for parents.
- While it is difficult to be definitive about the capacity of paid parental leave to achieve these objectives, the introduction of a statutory scheme should contribute to a more conducive workplace environment for parents of newborn children.
  - It would provide a strong signal that having a child and taking time out for family reasons is viewed by the community as part of the normal course of work and life for parents in the paid workforce.
  - It could stimulate further cultural shifts and attitudinal changes in the workplace and in the community more generally.
- A common view, reflected in the Commission's recommendations, was that paid parental leave should, as far as reasonably possible, be structured like other normal leave arrangements, such as those for recreation, illness and long service, rather than being seen as a social welfare measure.
- Some expressed the view that an employment eligibility test for paid parental leave based on employment in the paid workforce devalued the work of those parents (predominantly mothers) who choose to look after their children full-time. However:
  - paid parental leave seeks to address specific employment-related objectives and needs; the needs of parents who look after their children full-time are different and are recognised through the social transfer system
  - a common payment to all parents would undermine the objectives of paid parental leave and significantly increase its costs, without the associated benefits
  - by making it possible for more parents to take care of their children themselves, the scheme design acknowledges and affirms the critical importance of parental care.

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## 6.1 Introduction

While many participants saw paid parental leave primarily in terms of immediate health and wellbeing benefits for the mother and child, and better longer-term workforce attachment outcomes for mothers, others pointed to broader societal objectives that may also have the capacity to generate worthwhile benefits to the community over time.

Many advocated paid parental leave as supporting a better balance between paid work and family life, or to facilitate a greater role for fathers, or on more general gender equity grounds. Many of these aims are in fact intertwined and difficult to separate. Some participants argued that seeking to achieve these outcomes ought to be explicit objectives of any government-mandated paid parental leave scheme.

For some objectives, such as better health and child development outcomes and greater long-term workforce participation for women, the rationales can be linked to particular private and community benefits for which there is an evidence base that can shed light on improvements that could be made, and the value of doing this. However, objectives such as improved gender equity and the ability to better balance paid work and family life are more difficult to evaluate in these terms.

Many participants argued that ‘cultural shifts’ and attitudinal changes would be required, both in the workplace and in the broader community, to achieve the objectives they identified as important. In their view, significant benefits would come only with greater acknowledgement by the community, and workplaces in particular, that many in the paid workforce need to take an extended break from their employment to have and raise children, and that this should be facilitated. They saw a government-mandated paid parental leave scheme as helping to signal the legitimacy of this interruption to paid work, irrespective of whether it is a stated objective of the scheme.

These issues need to be considered and weighed in the design of a paid parental leave scheme. How they are used to influence policy design depends in part on sometimes differing views about community norms (what they are and whether they are changing) and about what constitutes equity (for example, equity for whom?). While protecting or advancing the health of a mother and her child are norms that are widely accepted and understood, the meaning of family/workplace balance and gender equity, and the extent to which they should be encouraged, are more contestable.

In part, these issues relate to community and workplace perceptions about having children and undertaking paid and unpaid work. They also involve people’s preferences, social norms and the roles people feel they are expected to play

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because of social pressures. People's circumstances (for example, incomes, job attachment and partnered or unpartnered status) vary considerably, as do their preferences for the sharing of paid and unpaid work and for the nature and extent of their future workforce attachment. Many participants commented on the difficulty of reconciling their personal and family preferences to the expectations of the workplace. Indeed, the argument for explicit recognition and acceptance by the community of parents (mostly women) as both carers and paid workers has been a strong theme in this inquiry.

This chapter looks at these issues and considers their implications for a government-mandated paid parental leave scheme.

## **6.2 Supporting people's efforts to balance paid work and family life**

Some participants reported that their employers and workplaces responded positively to their pregnancy, subsequent parental leave and return. Examples were given of employers extending unpaid parental leave beyond the statutory requirement, facilitating return to part-time work and being supportive in relation to matters such as start and finish times, work-related travel, use of sick leave and breastfeeding at work (one participant referred to her 'breastfeeding-friendly workplace').

But the experience of others is that the workplace can be unsympathetic and unaccommodating to parents who attempt to juggle their roles in the paid workforce with the care of small children, with some alleging active discrimination. HREOC referred to complaints it had received about the treatment of women once they announced their pregnancy (trans., p. 424) and the Kingsford Legal Centre provided examples of:

... the large number of women who ... have been discriminated against during their pregnancy and also those who have had difficulty returning to work after a period of maternity leave ... (trans., p. 431 and sub. 27)

When pregnant and still at work, 22 per cent of respondents to the ABS Pregnancy and Employment Transitions survey reported problems such as missing development opportunities or receiving 'inappropriate or negative comments' (ABS 4913.0). However, 78 per cent said they did not face any particular workplace difficulties. Evidence from LSAC also indicated few concerns during pregnancy.

After the birth of their child, however, mothers experienced a range of difficulties, including employer hostility, pressure to return to work earlier than planned,

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resistance to extending maternity leave, and difficulty in negotiating part-time work or more flexible working arrangements. (As noted in chapter 5, mothers typically seek part-time work after the birth of a child.) Some found that the same job was no longer available to return to, or they were offered a redundancy. More generally, parents can face workplace hostility when taking leave to look after sick children, or leaving work early to perform caring roles, even if these absences have little or no effect on workplace output.

Participants generally characterised these concerns in terms of the difficulty of achieving an appropriate work/family balance, arguing that benefits would arise were society and workplaces to make greater allowances for the requirements of family life. They saw a government-mandated scheme as an endorsement by society that it is normal and worthwhile (rather than a nuisance or inconvenience) for people in the paid workforce to take leave to have children, while maintaining their ongoing connection with their employment. In this vein, Prof Joshua Gans argued that parental leave should seek to allow parents to ‘pause’ their working life, take time off to spend with the baby and then to ‘resume’ their role in the paid workforce where they left off prior to the birth (sub. 24, p. 1).

Current workplace cultures may stigmatise the achievement of a smooth transition or blending of roles. And they affect outcomes. For example, employers’ and employees’ ambivalent social attitudes to the joint role of caring and work may reduce women’s capacity to take an active and sustained role in the workforce — with the consequences spelt out in chapter 5. As the OECD observed:

As long as women rather than men take advantage of care provisions, there are employers who perceive women as less committed to their career than men, and are therefore less likely to invest in female career opportunities ... (OECD 2008, p. 21)

Paid parental leave that explicitly endorsed a period of leave for maternity reasons, and facilitated continued workforce involvement by mothers (and others who have caring responsibilities), can ameliorate such adverse attitudes and help legitimise the coexistence of caring and workforce responsibilities. But to have this effect it would need to be more than just a token arrangement. The views of many participants who argued for a scheme mandating a minimum of 12 to 14 weeks, and the observation that this is consistent with what some other countries offer, suggests that a mandated scheme of about this duration would be seen as signalling the legitimacy of the above objectives.

Recent announcements of new employer-provided paid parental leave schemes and the extent of support for a mandated scheme evident during this inquiry suggests that there may already be some attitudinal changes underway. Employer groups are also supportive, although on the condition that the scheme be wholly-government-funded. And, they point out that there are disruption and other costs when staff take

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parental leave (even if this were to be paid for by government) that can hinder efforts to balance the needs of employers with the preferences of employees. The Australian Federation of Employers and Industries cited problems in such areas as:

- finding and training temporary replacements for an uncertain period of time, and reallocating responsibilities among other staff
- coping when staff extend their maternity leave, take maternity leave on multiple occasions, or do not to return to work
- retraining employees on return to work after extended leave
- handling requests for revised work arrangements for the employee (such as reduced or flexible hours) that may not fit the needs of the business (sub. 202, pp. 14–15).

Other employer representatives, such as the New South Wales Business Chamber and Australian Business International (sub. 134), Commerce Queensland (sub. 172) and the SA Wine Industry Association (sub. 137), while also supporting government-funded paid parental leave, made broadly similar comments.

Equally, though, several also pointed to the efforts businesses have made to help staff balance work and family, including by way of:

... flexible rosters and hours, flexible leave arrangements, time off in lieu of overtime, part time employment, job sharing, job rotation, home based work, voluntarily offered paid maternity leave and employer participation in child care arrangements (Commerce Queensland, sub. 172, p. 5)

The view that there would be benefits if there was greater recognition and acceptance of the dual roles of people as parents and as workers is shared by the OECD, which noted the importance to individuals and societies of reconciling paid work and family life:

Parents who wish to care for their children by giving up work should have their choice respected. Often, however, parents see no way of giving their children the care and attention they need other than by staying at home. Yet children whose parents are not in paid work are more likely to be poor, while mothers who have interrupted their careers to care for their children are at higher risk of poverty when they are older. ... The ability to generate income in a fulfilling job and the desire to provide the best for one's children, giving them the care and nurturing they need, do not have to be mutually exclusive. Policies can help parents find the right balance. (Adema 2005)

Some participants' views on these matters are contained in box 6.1.

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## Box 6.1 **Balancing paid work and family life: some participants' views**

Lauren Calder:

I have chosen my specific job role because I believe it is a much better work / life compromise. (sub. 23, p. 2)

Gill Coall:

I will return to work part time instead of full time ... It will be a number of years before I earn a full time wage due to the work life balance I wish to maintain, for the benefit of myself and my child. (sub. 16, p. 1)

S. Kanowski:

My primary concern on returning to work was about balancing professional demands with my responsibilities (and joys!) as a mother – I have returned part-time as a result ... (sub. 197, p. 5)

H. Cameron:

I am so grateful to my employer, they were so generous with me, if it wasn't for their flexibility and generosity I doubt if the last two years would have been as happy and blissful as they have been. (sub. 5, p. 1)

Dr Stephenson:

I felt (whether this was reality or not) that it was expected that I return to near full time work relatively quickly compared to staff in more junior positions, or else be diverted into a different position ... This felt unfair ... (sub. 189, p. 1)

Luke Bain:

Numerous studies have outlined the importance of both parents in any child's life; therefore both parents need to be able to adjust their lives so that they can have equal relative input. This may not mean that both parents are home fulltime for any period; nor must it mean one parent stays at home while the other works fulltime. Rather it is about supporting parents in achieving a work-life balance. (sub. 115, p. 1)

Jane Martin:

... it is harder for my employer now, since I have returned to work, because I am now working part time when previously I was working full time. The position I was in requires a fulltime workload and is not suited to job-sharing, therefore my employer has had to make special arrangements to accommodate me and the person who acted in my position while I was on maternity leave. ... Working part time is complicated – both for me as an employee and for my manager ... I have found it very difficult to adjust to working part time – I feel much less productive and motivated compared to working full time and I often feel like I am missing out on opportunities because they happen on days I am not at work. (sub. 170, p. 3)

S. Perrella:

With my third child, I have returned to work after 9 months primarily because I have been keen to return to a work project that is of great interest to me. I am only able to do this because of flexible work arrangements (ie. I am contracted for 12 hours per week, but can work from home for half of this time) and I am very fortunate to have access to on-site child care where I can continue to breastfeed and interact with my baby during my working day. (sub. 173, p. 1)

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**Box 6.1 (continued)**

**UnitingCare Children, Young People and Families Services:**

A paid maternity, paternity and parental leave scheme would greatly assist families with the practical challenges of parenting. It also sends a message to parents and the broader community that parenting is important, that it takes time to learn the skills to do it well and that it is okay, in fact appropriate, to make parenting a priority. (sub. 104, p. 4)

**Families Australia said it agrees with the OECD when it said:**

Finding a better balance of work-family commitments is a key policy challenge as it influences parental labour market outcomes, family outcomes and the shape of future societies. (sub. 113, p. 5)

**The Association of Professional Engineers, Scientists and Managers, Australia:**

Women are leaving the engineering profession faster than men and ... one of the major reasons for this is the difficulty faced balancing work and family. ... Members ... told ... of problems they faced accessing entitlements, workforce cultures that weren't supportive of family friendly practices and a lack of options such as part-time work when going back to work. (sub. 204, pp. 2, 3)

**Women Lawyers' Association of New South Wales:**

Many women as well as men in the legal workplace feel pressured by their perception of how others in their workplace will perceive them. While various firms and organisations have come a long way in introducing flexible arrangements and programs to the legal workplace, the toughest barriers to overcome are attitudes based around the individual. Firms and organisations can introduce part time, job share, work from home or other arrangements, but until individual-based attitudes are overcome, men and women will not be encouraged to take advantage of the options that are available. (sub. 143, p. 5)

**The South Australian Premier's Council for Women:**

If women continue to be the only parent with access to extended leave for child-rearing it will undermine the position of women in the paid workforce and continue to exacerbate existing inequity in household and caring responsibilities. (sub. 233, p. 8)

Some participants argued that a mandated scheme would also encourage or at least facilitate shared responsibility between men and women for the care of children, and by extension, a greater sharing of paid and unpaid work. Conversely, others expressed concern that paid parental leave may sustain gender stereotypical roles, noting that, in Australia as elsewhere, parental leave is mostly taken by women, with men continuing their role in the (generally full-time) paid workforce. This is reinforced by the preference of many women to return to work on a part-time basis after the birth of a child. Gender equity issues are discussed later in this chapter.

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## 6.3 Greater opportunities for fathers

Also related to the issue of work/family balance are questions about the desirability of increasing opportunities for fathers to take a greater parenting role, especially when the children are young. Some participants argued that paternity leave provides positive effects for children's longer-term emotional and educational development and support for the mother in the weeks after the birth. There is some evidence of the benefits to fathers of greater early involvement with their children (chapter 4). The OECD also referred to the key role of fathers, noting that:

If both fathers and mothers were to take time off to look after young children, there would be far less conflict between work and child development considerations. ... However, in practice, fathers rarely take off six months to care for a child on a full-time basis. Men's hours of work actually tend to increase after becoming fathers. Even among dual earner couples, women spend more time on both housework and childcare than their partners, and many feel pushed into a home-making role, whether they wish it or not. Gender inequality in care-giving within families remains widespread. (Adema 2005)

Some of this underpins proposals for partners to have the right to share parental leave, or for a separate scheme for paternity leave. The CFMEU said that:

... a policy focus on provision of paid leave to fathers will go some way to addressing gender imbalances where women continue to shoulder more of the burden of child rearing and career responsibility than their partners. (sub. 206, p. 2)

Australian Mines & Metals Association said that a recent survey of its (mainly male) membership indicated that:

... the majority of respondents were in support of paid parental leave benefits being made available to both males and females, when the primary caregiver. (sub. 121, p. 9)

HREOC found that men in full-time work voiced concern about lack of access to family life (a point that was made 'repeatedly' in HREOC consultations and focus groups):

This lack of access to family life is due in large part to workplace barriers and historical and cultural stereotypes, despite a growing interest by men in sharing the hands-on care of their children ... (sub. 128, p. 32)

There is also evidence, noted in chapter 4, that when men care for infants they are likely to be more involved in the care of their children over the longer term.

Many participants considered that unless a specified period of paid leave was exclusively designated for the father (or other alternative primary carer), employers might tacitly discourage leave, and fathers would not take it. Indeed, several

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participants said that it can be difficult at times for fathers to get access to parental leave.

Exclusive ‘use it or lose it’ arrangements have been introduced in the Nordic countries and Portugal, with a significant percentage increase in their takeup (albeit from a relatively low base). Such arrangements help overcome some of the obstacles to men’s involvement in caring for newborn children. It signals that it is legitimate for them to take parental leave, and, as HREOC observed:

... sends a strong symbolic message that fathers are carers as well as breadwinners. ... this would help break down the restrictive norm of the ideal worker by normalising the practice of men taking leave from work to care for children. (sub. 128, p. 38)

A scheme that, one way or the other, explicitly includes fathers might also help break down less than sympathetic attitudes in the workplace to the difficulties women face from juggling parenthood and a job. A survey of men in the EU found that over 20 per cent indicated that a more sympathetic attitude towards parental leave from superiors and colleagues would help encourage men to take up the right to parental leave.

But a scheme should not be too prescriptive, as there is no ‘one size fits all’ model. Parental preferences have an important role to play. Different couples will undoubtedly prefer different leave and care arrangements, according to their own family preferences. As NIFTeY pointed out, ‘families differ in their needs’:

In some families it is the woman who has the permanent job and the career path or it may be the father who has a particular affinity for the baby. In these families there will be more economic advantage and possibly personal reward, and/or better parenting, if the mother returns to work. In an increasing number of families, the father more strongly desires the role of basic carer of the young child. (sub. 55, p. 8)

Moreover, it is common for men to increase their hours of paid work on becoming fathers, whether to increase family income at an expensive time or to enhance job security. Evidence from the OECD shows this is also the case in many other countries (Adema 2005). In this inquiry, many participants talked of the financial stresses that affected both the timing of the mother’s return to work and the intensity of the partner’s work effort.

## **6.4 Gender equity objectives**

Consideration of the balance between paid work and family responsibilities and the respective roles of mothers and fathers are gender-related matters. Some participants saw paid parental leave as first and foremost a gender equity issue,

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discussing parental leave explicitly in terms of women and the paid workforce. For example, Jane O’Sullivan said:

The primary aim of a parental leave provision should be *gender equity in work and careers*. (sub. 161, p. 2)

Others commented on gender equity in the context of the sharing of paid and unpaid work. For example, HREOC said that a national paid parental leave scheme for parents:

... will contribute to greater gender equality between men and women, particularly in the ability to engage in paid work, and to participate in the sharing of care for children. (sub. 28, p. 3)

Indeed, some took the view that, irrespective of the formal objectives determined for paid parental leave, its implementation would help to further gender equity aims. For these participants, paid parental leave is seen as addressing the disadvantages women face in the workplace and recognising the value of unpaid work that women do as mothers. It is also seen as increasing the degree of equity among women in the paid workforce, by providing paid parental leave to a much wider range of women than are covered by voluntary, employer-provided schemes.

Some participants argued that there would be significant benefits to women, but also to fathers and to the broader community, from measures that encouraged greater gender equity in the home and in the workplace, as well as more widespread recognition and acceptance of the dual roles of women as mothers and as employees. Some argued that both genders may be disadvantaged by stereotyped rules which see women as prime carers and men as prime breadwinners, as men miss out on the emotional benefits of bonding with their infant and women miss out on opportunities outside the caring role.

As discussed in the previous chapter, some see raising workforce participation rates of women as improving gender equity. Unlike fathers, mothers meet the demands of caring for children through lower workforce participation rates and, on return to work, a much greater propensity for part-time employment in the years usually most important for career progression. Consequently, women face more fractured careers than men and tend to have significantly lower lifetime wages. Greater labour force participation by women reduces the disparity in outcomes for females and males in the labour force, with resulting benefits in terms of retirement incomes, preservation of skills and financial independence. Indeed, some participants saw paid parental leave as providing a degree of recompense for the disparity that is currently evident in these areas.

While gender segmentation may often reflect a preferred division of labour within families, this is not always the case. And more generally, if a relationship breaks

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down, a woman usually has less employment experience than her male partner, reducing her future wages and job quality, and making her (and possibly the children of the relationship) economically vulnerable.

### **Can parental leave improve gender equity?**

Quite apart from the extent and nature of gender inequalities associated with the labour market experiences of men and women, a key question is how much paid parental leave would ameliorate such inequalities. The evidence from chapter 5 is that a carefully designed statutory scheme would improve lifetime labour market outcomes for women in several respects. However, as noted in that chapter, those gains should not be overstated:

- they would be small set against the historical improvements in women's lifetime labour market involvement
- by itself, paid parental leave will not reduce by much the gap between male and female labour force participation rates.

Some argue from a social or philosophical perspective that gender-split preferences for caring or 'breadwinning' are inappropriate socially-constructed mores that should be challenged. In that instance, encouraging female labour market engagement may help to erode those conventions. However, as in many debates underpinned by ethical and ideological beliefs, others see nothing wrong with what they view as freely chosen gender roles. What is perceived by some as undesirable from a gender equity viewpoint may be seen by others as their preferred way to organise their household.

As was apparent from submissions to this inquiry, many women prefer to stay at home full-time during their child's early life, and to later return to work on a part-time basis only. One participant expressed disappointment that:

... much of the talk around 'choice' with child care ignores the choice many parents want to make: that of being the primary carers for the babies and very young children. (sub. 197, p. 4)

Survey evidence also shows that Australian mothers working part-time were more likely to be satisfied with the hours they worked than mothers working full-time, with more than half of mothers working full-time stating that they would prefer to work fewer hours. The positive effects of work on family life were greatest for those employed mothers working 16 to 24 hours per week. Part-time hours were associated with greater wellbeing for the mother, with mothers employed full-time reporting poorer health, higher levels of psychological distress, a poorer quality

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relationship with their partner and more time pressure (Baxter et al. 2008, pp. 15–16).

Indeed, some expressed concern that stereotyping of parents who choose to care for their children full time creates obstacles to choosing that option. Some submissions and personal feedback to this inquiry considered that a paid parental leave scheme would accentuate the view of some in society that paid work is what really matters.

Against that, it could be argued that paid parental leave signals the importance that society places on the unpaid work that (mainly women) do in caring for their children. A paid parental leave scheme gives a wider range of families the choice to provide one-on-one care in the early months of a child’s life. Far from undermining the role of parents in caring for their children, submissions in favour of paid parental leave have overwhelmingly emphasised the value and importance of parental care, with a common theme that more — not less — parental care would be valuable for society.

#### *Some arguments push in different directions*

The arguments can push in different directions. For example, some participants, while strongly advocating paid parental leave for mothers, often on gender equity grounds, acknowledged that a consequence might be a strengthening of a gender-based division of labour — with the mother taking extended parental leave to raise the infant and organise the household while the father/partner continues in the paid workforce (commonly, as noted earlier, with greater intensity of effort — longer hours and more shifts, for example). Baxter reported that fathers of infants work an average of 46 hours a week, with a substantial number working 55 or more hours. In contrast, the average usual working hours of employed mothers with an infant was 20 hours a week (Baxter et al. 2008, p. ix). This gender-based division of labour can be exacerbated when, as is common, the mother returns to the workforce on a part-time basis.

This perspective received some recent support from the United Kingdom’s Equality and Human Rights Commission, which said that generous maternity benefits had entrenched the assumption that only mothers brought up children, and had failed to achieve a greater equality of sharing of the responsibility for caring for their family (Brewer 2008). Evidence from Canada also showed that providing longer parental leave entitlements in 2001 increased the gender gap in the takeup of parental leave, reinforcing the gender division of time spent in paid work and in caring for children. Indeed, data on the amount of leave that men claimed suggests:

... that there is a ceiling on the amount of time Canadian fathers will spend at home, away from their jobs, caring for young children. ... Men may be less prepared to stay

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away from their jobs because of potential consequences (such as losses in wages and/or promotions); it may also reflect their own (and their partners') inclinations and preferences. (Evans 2006, p. 124)

Similarly, in Sweden, which provides generous and flexible parental leave and includes the right to transfer leave between the parents, most parental leave days are still taken by mothers, making it difficult for women to compete on equal terms with men in the jobs market. As one participant to this inquiry put it:

For a woman, the decision to have kids impacts enormously on her career and job prospects. There is just no way around it. (Mary Doyle, sub. 45, p. 2)

While families resolve these matters according to their own preferences, part of the issue concerns societal attitudes. Social surveys (such as the World Values Survey) have shown changes in attitudes about appropriate gender roles and the capabilities of women, as has the repeal of various regulations (such as that which required women in the Australian Public Service to resign when marrying). Younger men tend to believe more in gender equality — and its implications for fathers' roles in caring and in domestic duties — than older generations, which also suggests changing societal norms. HREOC also cited 'attitudinal research that shows that 90 per cent of Australian men and women believe in sharing parental care' (sub. 128, p. 32).

### **The symbolism of paid parental leave**

The absence of an explicitly named parental leave scheme clearly has strong symbolic resonance for many people — so much so that a variety of suggested schemes to this inquiry involve relabelling of existing family payments into a formal paid parental leave scheme. Indeed, the social survey evidence, while not conclusive, suggests that the majority of women see universal paid parental leave as an important symbolic and ethical issue. It is supported by high income women who already have employer-based paid parental leave. Moreover, most men also support such leave, as do older people outside their reproductive years. Julia Perry provided evidence from a 2007 Newspan survey to the effect that:

76.4 per cent of respondents were in favour of paid maternity leave, including more men than women, and a majority ... of respondents and across all other demographic categories. (sub. 8, p. 6)

As noted in chapter 1, while the consensus was not complete, the weight of views to this inquiry (whether underpinned by ideology or simply by the practical difficulties of balancing paid work and family life, especially for women) was supportive, as are comments on media websites and various media polling (although support was

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somewhat moderated in polls that mentioned that paid parental leave has a price tag.)

For similar reasons, a common argument was that paid parental leave should be structured like other normal leave arrangements, such as those for recreation, illness and long service, rather than structured like a social welfare payment. Julia Perry said it should be seen as ‘income replacement for a suitable period’ (sub. 8, p. 6). The Union of Australian Women said it is not a welfare payment but should be part of all women worker’s entitlements, like long service leave, sick or annual leave (sub. 82, p. 4). Barb McGarity referred to the ‘false assumption’ that paid maternity leave is a ‘cash handout’, arguing that it is employment leave:

... just as paid sick leave or compassionate leave or paid long service leave are employment leave. It is not welfare. Nor is it a baby bonus, and the two should not be confused, as they are separate issues. (sub. 83, p. 2)

The Australian Federation of University Women–SA said that women receiving welfare payments for any reason are made to appear a burden on taxpayers. In its view, paid parental leave should be viewed as ‘an earned entitlement, just as superannuation ... is seen as an earned entitlement’ (sub. 56, p. 1).

While the Commission has recommended a taxpayer-funded scheme payable at a flat rate, it sees benefits in incorporating design features (such as using employers as the paymaster) to mimic the features of other leave entitlements that have long formed part of employment contracts (chapter 2). However, several participants saw this approach as somewhat disingenuous. For example, Eris Smyth expressed concern that the proposal ‘pretends’ that the money is coming from the employer to avoid it being tainted as ‘welfare’, noting that it actually comes from the same source as the baby bonus (sub. DR394). Julia Perry said:

The Commission has stressed that its proposal should not be seen as welfare. However it is welfare, defined as a government paid flat rate payment. It is not possible to convince the community (or anyone else) that it is not welfare. (sub. DR309, p. 3)

While correct up to a point, the importance of these objections can be overstated. The taxation and transfer system serves many objectives, and not all government transfer payments can be characterised as ‘welfare’. Indeed, there are a number of transfer payments designed to support people as employees (such as child care subsidies, which facilitate workforce attachment, and student study assistance, which helps build human capital for future employment).

In any case, the distinction between entitlements provided by way of government regulation, and those provided through budgetary measures, is not clearcut. For example, from an economic viewpoint, a government requirement for employers to provide certain leave entitlements to their employees may also be broadly

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interpreted as a form of tax on employers, matched with a transfer payment to employees. However, while the effects may be similar, they are not exactly the same. Recreation and sick leave entitlements, for example, are now long-standing and deeply embedded as a legitimate workplace entitlement. On the other hand, government payments and programs funded through the budget are perceived as less certain, and subject to review and change at short notice. So the way that entitlements are provided and structured can affect how they are perceived by the community.

For these reasons, the Commission has recommended that the administrative arrangements for paying statutory paid parental leave, and certain design features, be made similar to those applying to existing leave. The intention is to signal that paid parental leave should be perceived as a normal feature of employment arrangements, notwithstanding that it would be taxpayer-funded and therefore perceived by some as welfare. The Commission considers its approach should also help stimulate changes of attitude towards parents in the paid workforce who attempt to balance paid employment and family life.

## **6.5 Reflecting society's norms**

There are (private) benefits to mothers and their partners of mandated paid parental leave of any duration. This was clear from the many submissions and personal feedback responses that talked of the difference that a period of paid parental leave would make or would have made to them. It would generate clear private benefits in the form of additional financial assistance for an unchanged period of leave, or would provide the choice of taking a longer period of leave. (For example, mothers could extend their leave, or return to work at the same time they initially planned and save recreation leave — or not have to take unpaid leave.)

Such private benefits to individuals are not sufficient to make a case for government-mandated paid parental leave. The Commission has focused on how a scheme might achieve public benefits — that is, outcomes that are of value to the community but that would not arise from people's private decisions. Foremost among these are the health, wellbeing and workforce attachment issues discussed in chapters 4 and 5.

Any mandated scheme necessarily imposes costs on others, according to how it is financed and implemented. Those costs can in turn lead to other outcomes that are more equitable or less equitable (as, for example, some of the costs may fall on lower income households). This area is especially complex and centres on the treatment of employed women (and men) with children, mothers who are not in the

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paid workforce, and others in the community who have to finance paid parental leave, such as those on lower incomes. Indeed, a common complaint by people on modest incomes was the perceived unfairness of being asked to shoulder a larger tax burden (or an impost on their wages) to finance what they see as the private consumption expenditure of others. Adam Johnston said:

... my concern with the whole concept is that it makes yet another part of private family life a public commodity and public controversy. Additionally, it generates yet another transfer payment (if provided by the Government) or will involve the quarantining of still more of our income (if financed by superannuation-style contributions). (sub. 63, p. 1)

As noted earlier, paid parental leave is also about work/family balance, facilitating a greater role for fathers, and improving gender equity, and such objectives have been put forward by many as desired explicit goals for paid parental leave. While there is no ‘gold standard’ that can indicate what social or ethical perspective on all of these issues is right, there are clear signs that, within the community, there is greater acceptance or agreement with at least some aspects of these views. One significant area where norms have undoubtedly been changing is in respect of the numbers of women with dependent children who are in the paid workforce.

In recent years there has been increased emphasis on work-family balance by some employers and employees, and more employer-provided parental leave. There is evidence of a shift of view within the community to favour government support for those seeking to juggle family life with a continuing role in the paid workforce. Indeed, the argument is now couched in terms of mothers taking leave from the workforce, rather than whether to work at all, as was more usual a few decades ago. Chapter 1 also noted the weight of views to this inquiry (irrespective of whether underpinned by an ideological viewpoint or simply by reference to the practical difficulties of balancing work and family life, especially for women). That chapter also noted various views advocating that there are certain rights that ought to be accepted and built into a paid parental leave scheme.

One such argument concerns the rights of children. While most submissions saw important benefits for newborn children from paid parental leave, some argued that any mandated scheme should focus explicitly on the impacts and outcomes for children, as much as for parents. The National Children’s and Youth Law Centre argued for the rights of children to be ‘a primary policy objective’ (sub. 152, p. 11), while others saw the introduction of paid parental leave as providing a clear signal that society values its children (for example, Commissioner for Children and Young People WA, sub. 75 and Commissioner for Children Tasmania, sub. DR281). As noted in chapter 1, the Commission sees the health and welfare outcomes for newborn children and their mothers as key objectives of paid parental leave. Its assessment of the nature and extent of these benefits is discussed in chapter 4.

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A related issue concerns the impact of paid parental leave in cases where children are cared for by family members other than a parent. In particular, some participants expressed concern that the Indigenous kinship system often meant that grandparents and ‘aunties’ who had a primary role in the care of children in Indigenous communities would not have been eligible under the Commission’s draft proposals (YWCA Australia sub. DR410, p. 4). Several participants expressed concern that the scheme’s design should seek to address, or at least not exacerbate, Indigenous disadvantage (for example, the National Children’s and Youth Law Centre (sub. 152), the Western Australian Department for Communities Office for Women’s Policy (sub. DR371) and the Office of Women’s Policy in the Northern Territory Government (sub. DR414)).

As noted in chapter 2, the Commission is now recommending that statutory paid parental leave (or the balance not taken by the mother) could be allocated to a non-parental primary carer, in certain circumstances (recommendation 2.8). This approach would cover care by ‘aunties’ and grandmothers in Indigenous communities in those cases where the specified criteria are met. In particular, the Commission intends that the provision would typically only apply to relatives of the child or people with a kinship connection, and is not intended that paid parental leave be used as a substitute for foster care arrangements or as a way of funding child care (such as when a grandmother cared for a child while the mother went back to work).

### **Paid parental leave is a workforce issue**

Some viewed the Commission’s proposals as involving inequitable treatment of mothers in the paid workforce and those who care for their children full-time, essentially creating two classes of mothers and two classes of families. Some participants described this as discrimination against mothers who care for their own children full time (Mrs Pearce, sub. DR393).

However, the statutory scheme proposed has particular objectives that are different to those of the welfare system (chapter 1). To be able to deliver on those objectives, the scheme needs to provide an incentive (and the financial capacity) for mothers in the paid workforce to:

- increase the time that they take off work to be with their newborn babies
- remain attached to the workforce.

The Commission expects that the scheme it has recommended will lead to improved maternal and child welfare outcomes, and increased workforce attachment by women. It should also help reduce the negative impact of the existing tax and

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welfare systems on incentives for people, especially second earners in a family, to work. And it should to some extent help reduce the difficulties of juggling paid work and family life.

These are not issues for mothers who have chosen to remain outside the paid workforce to care full-time for their newborn babies. But they are central to achieving better outcomes where the mother is in the paid workforce, and where many are forced back to work early by financial circumstances. (And as noted elsewhere in this report, the evidence is that the benefits will be greater for women on low incomes. Paid parental leave may also help address the social inequalities that are an important determinant of health inequalities — see Amir and Donath (2008) on socioeconomic status and breastfeeding initiation and duration.)

Paid parental leave is a scheme that is targeted at a specific group of mothers, to achieve specific intended outcomes. It is not a universal payment because the intended impacts do not apply universally.

For the benefits of statutory paid parental leave to be forthcoming, there needs to be a financial incentive for mothers in paid work to take additional leave to spend with their newborn babies, rather than opt to take the baby bonus and limit their leave to what is already available from other sources (or exit the workforce). Paying the same amount to all mothers, as some participants have suggested, would provide much less incentive for mothers in the paid workforce to take that extra time off (or, indeed, to stay in paid work) for the same budgetary cost. Thus, much of the rationale for the proposed scheme, and most of its anticipated benefits, would evaporate. What would remain would be little more than a transfer payment (essentially, a bigger baby bonus), at a significantly higher cost than the recommended model. While this would generate clear private benefits for the recipients, it is far from clear that there would be a public policy rationale for such a payment.

There is already a wide range of government programs targeted at different families in different circumstances (and, indeed, payments to families are generous by OECD standards). Benefits such as the baby bonus, family tax benefits and child care subsidies each have their own objectives, meet the needs of benefiting families with a variety of payment and eligibility arrangements, and necessarily have different impacts (chapter 9). Such benefits are payable to families in a wide range of circumstances and at different stages of their lives. The purpose of the proposed paid parental leave scheme is to address only one particular set of needs and circumstances.

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## Implications for design features

The Commission was aware of a very wide range of views when finalising the design of the recommended model (chapter 2), which seeks to make gains in relation to health and workforce objectives without at the same time inadvertently adding to the disadvantage that women and their partners already face in the workforce. For example:

- the proposal that the scheme be government-funded, rather than employer-funded, is intended to avoid incentives for employers to discriminate in their hiring practices against women in the prime childbearing years
- the model allows for parents to optimise child-caring roles by proposing that mothers have choice about which partner takes the parental leave, and by proposing that a portion of leave should be quarantined for the use of fathers/partners only, on a ‘use it or lose it’ basis
- the model incorporates several design features intended to ensure that paid parental leave comes to be seen as a normal part of employment arrangements.

Implementation of the Commission’s model should lead to a range of consequential benefits in these areas, benefits that have been strongly advocated by some participants. In particular, it should lead to a greater acceptance within workplaces and the community that:

- people in the paid workforce have multiple roles over their lifetimes, including as participants in the workforce and as parents
- fathers should have the opportunity to take time away from work in the early months of their children’s lives.

Commonly held social attitudes can legitimately lead to policy changes that reflect them. While universal paid parental leave cannot be achieved through individual action, it is legitimate for governments to support widely held social norms. A government-mandated scheme would provide a signal that having a child and taking time out of the paid workforce for childrearing is viewed by the community as a normal part of work/family life for people in the paid workforce, and compatible with ongoing attachment to their employment. There was considerable support expressed during the course of the inquiry for these goals.