



Australian Government
Productivity Commission

Inquiry into Paid Maternity, Paternity and Parental Leave

Productivity
Commission

*Personal Feedback
Paper*

April 2008

For individuals and small firms

This personal feedback paper aims to help you engage with the Productivity Commission's inquiry into paid maternity, paternity and parental leave. It describes what the inquiry is about and identifies some issues for you to consider. A more comprehensive Issues Paper that sets out the process for formal submissions is available at www.pc.gov.au/inquiry/parentalsupport or you can contact us to obtain one. You are welcome to make a submission.

Community consultations will provide an opportunity for you to share your experiences and add to the Commission's understanding of the issues facing families with newborn children, and employers.

Commissioners: Robert Fitzgerald and Angela MacRae

Key dates

Initial public hearings	May 2008
Initial submissions due	2 June 2008
Release of draft report	September 2008
Public hearings for draft report	late November 2008
Final report	28 February 2009

Submissions can be made:

See our website for how to make a submission. Or you can contact Roberta Bausch on (02) 6240 3221 or email us at parentalsupport@pc.gov.au. We also have a freecall number (1800 020 083) or telephone typewriter TTY (1800 803 344).

What is the inquiry into parental leave about?

The Commonwealth Government has asked the Productivity Commission to inquire into the economic and social costs and benefits of paid maternity, paternity and parental leave ('paid parental leave'). The Commission is looking at the current arrangements and at models of paid parental leave that could be used in Australia.

We would like to hear from you about your experiences of leave associated with the birth or adoption of your child(ren), and what you think the benefits of new arrangements might be. We are particularly interested in the impacts of leave arrangements on your work decisions; the health and welfare of your baby; maternal health; and the wellbeing of all members of your family. We would also like to hear views from employers, especially people running small businesses, about the effects of different types of leave arrangements on their businesses.

Your views will help us prepare a draft report, which we will release for open discussion in **September** this year.

The current arrangements for parental leave

Currently, businesses must allow staff to take up to 12 months unpaid maternity leave, but there is no legal requirement for the provision of paid maternity or paternity leave. Currently around 44 per cent of employed women have access to some form of paid maternity leave, while around 35 per cent of employed men have access to paid paternity leave.

Were you eligible for paid maternity or paternity leave when your child was born? If so, what were the terms available (period and pay arrangements)?

Did you take all of your paid parental leave entitlement? If not, why not?

How much parental leave (paid or unpaid) did you take after the birth of your child? Did the period of paid parental leave available to you influence the amount of total leave taken? If so, in what way?

How did you arrange your leave to have a baby if you were self-employed or were a contractor to a business?

Did you leave your job prior to your child being born? If so, did the leave provisions available influence your decision?

How did access to paid or unpaid parental leave affect your decision on when to return to work?

The benefits of parental leave on wellbeing

The World Health Organization estimates that a woman's physical recovery from childbirth requires about four months leave. Establishing successful breast feeding, sleeping patterns and other routines takes time. It also takes time for family members to bond with the new baby. Greater durations of parental leave may reduce stresses for parents and enhance family relationships. But taking more time off may also contribute to financial and other pressures.

How important was your time off work with your new baby for you and your baby's health? What aspects of the baby's and your care were most affected by the time you were able to spend at home with your new baby?

For women, did your partner take parental leave? If so, how long did they take? How important was this time at home for encouraging them to participate actively in the care of your new baby?

If you returned to work, would you have liked to wait longer before returning to work? What do you think the benefits of a longer time at home would have been?

The impacts of leave and return to work decisions on career prospects and family income

Paid parental leave can alter the time spent away from work, and can affect whether the parent (usually the mother) returns to the same employer and, if they return, whether in a full time or part time capacity. While longer leave has benefits for the parents and their baby, time away from work may erode work skills and reduce income.

Did concerns about the effect of your parental leave on your work prospects (maintaining your skills, promotion eligibility etc.) affect your decision about the length of leave you took? What were your primary concerns in your decision about returning to work?

Would you have taken longer parental leave if your family could have afforded it? How much longer would you have liked?

Did your access to social security payments (like family benefits part B) affect your decision about taking parental leave or returning to work? If so, in what way?

Did you return to the same employer when you resumed work? How did the maternity leave you were offered affect your decision to return to the same employer? What other features of your employer influenced your decision?

What do you think was the effect of your parental leave on your employer? Did they discuss the issues with you? Did this influence your decision on the length of leave taken, or the decision to leave employment?

What sort of paid parental scheme would help you most in balancing your work and family goals?

The effects on businesses

Both paid and unpaid parental leave can impose costs on businesses, as members of staff are absent for some time and temporary replacements can be difficult to find and expensive. For self-employed people, any leave is self-funded, and women in this group are the least likely to take maternity leave. In addition, were a new paid parental scheme to involve co-funding by employers, this would have financial implications for such businesses.

For employers, do you offer paid parental leave? If so, what are the arrangements?

What share of your workforce has taken parental leave? Do you think your firm's leave arrangements have influenced this? If so, in what way?

What has been the effect on your firm of staff taking parental leave?

Have you been successful in getting employees to return after parental leave? How important is this for your firm's success? Have they typically returned on a full time or part time basis? Has the availability of part time employment been an issue in retaining such employees for your firm?

What would be the effects on your business of any co-funding arrangement associated with a new scheme, and why?

Characteristics of paid parental leave arrangements

Paid parental leave schemes can vary greatly. The main features are who is eligible (for example, by how long they have worked or the nature of their job); the length of paid leave available; whether conditions vary between mothers and fathers; and the generosity of the scheme (whether a fixed amount, or related to previous pay and at what rate). The schemes also vary in how they are financed. Options include financing by employers, social insurance contributions, targeted employment taxes and general government revenue.

What are your views on the best arrangements for a paid parental leave scheme? What are the reasons why you would support such arrangements?