

# Submission to the Senate Community Affairs Legislation Committee's Inquiry into the *Fairer Paid Parental Leave Bill 2016*

7 December 2016

This submission is made by the following 26 organisations:



## **Paid Parental Leave (PPL) Amendments – The myth of double dipping**

The current PPL scheme provides employees with an entitlement to 18 weeks of leave funded by the Government at the minimum wage, with the expectation that the employer will also contribute further leave entitlements. Workers earning more than \$150,000 per annum are not entitled to the payment, which means that the scheme is aimed at those employees who are more likely to experience pressure to return to work following the birth (or adoption) of a child in the absence of financial support.

In the 2015/16 budget, the Federal Government described this system as ‘double dipping’ and announced plans to only allow access to the government payment if a worker had no workplace entitlements to parental leave. If a worker had workplace leave entitlements that were less than the Government scheme, employees could claim the difference from the Government scheme.

The measure lapsed during the election, and has now been revived in the form of the *Fairer Parental Leave Scheme Bill 2016*.

There are two key issues raised by the proposed amendments:

- The amendments will operate to reduce the total leave available to women, which in turn will reduce women’s choices about when to return to work, with significant ramifications for mother and baby health and child development; and
- The amendments break down the developing culture of employers and Government having shared responsibility for PPL, which is needed to address the current high levels of discrimination against pregnant women and mothers in Australia’s workplaces.

PPL is not a luxury. It is an essential component of any attempt to address the gendered wealth gap, improve women’s workforce engagement and ensure positive health outcomes for mothers and their children. In its current form, the PPL scheme has three aims:

- Improving women’s health;
- Improving babies’ health; and
- Developing a culture of promoting PPL as a gender equality measure in workplaces and the broader community.

It is our submission that the proposed amendments will undermine all three aims.

### **The effects of the amendments on mother and baby health and child development**

The new proposal will limit paid parental leave to 18 weeks at the minimum wage for most women, unless they have employers who are willing to pay for more than 18 weeks of leave.

Well-functioning families provide long-term economic and social benefits to the community. Both the World Health Organisation and the Commonwealth Department of Health<sup>i</sup> recommend 6 months of exclusive breast feeding wherever possible, which is most easily achieved on leave.

There are measurable impacts of not breast feeding: slower brain<sup>ii</sup> and cognitive development<sup>iii</sup>, measurable impact on school performance<sup>iv</sup> and later life<sup>v</sup> and increased risk of obesity<sup>vi</sup> later in life. Even with the current PPL system, only 60% of Australian babies are still breastfeeding at all at six months of age, and only 15% are exclusively breastfed to five months.<sup>vii</sup>

The Longitudinal Study of Australian Children<sup>viii</sup> found that women who took between 13 and 26 weeks parental leave were more likely to report that they were suffering from mental distress than women who took more than 26 weeks.

When given the choice, women do choose to take more time to be with their child. The review of the current PPL scheme conducted by the Department of Social Security in # found that even in the early years of the scheme, PPL had a clear effect of delaying mothers' return to work up to about 6 months after the birth of their baby, and then increasing their probability of returning to work before the baby's first birthday.

The report also found that:

- when given the choice through the PPL scheme, 85% of mothers chose not to return to work at 18 weeks. Prior to the PPL scheme, only 78 % of mothers chose to take more than 18 weeks.
- 64% of women chose not to return to work before 26 weeks following the birth

Most importantly, the impact of PPL in extending the amount of leave taken was most pronounced amongst the most vulnerable populations of women, including mothers on lower incomes, mothers with lower formal education, and mothers who had been employed on casual contracts before the birth of their baby.<sup>ix</sup>

Australia's *current* PPL scheme is one of the least generous in the world. Of the 34 OECD countries, 33 offer PPL schemes. The OECD's most recent report on PPL ranks Australia's current scheme as the third lowest in the OECD.<sup>x</sup>

Reducing the existing scheme still further will be detrimental to many women. Returning to work after 18 weeks is often difficult - babies are still feeding 1-2 times per night between 3 and 6 months. Even at 6 months 50.2% of babies are still feeding once in the night<sup>xi</sup> and there are strong links between lack of sleep and post-natal depression. It is significant that under the current scheme which permits more than 18 weeks of leave, 85 % of mothers do not return to work within 18 weeks and 64% of mothers do not return to work before 26 weeks. Sometimes, parenting simply needs time.

### **Addressing discrimination and building a positive PPL culture**

Australian workplaces are not currently safe places for parents.

In 2014, the Australian Human Rights Commission produced a report entitled *Supporting Working Parents - Pregnancy And Return To Work National Review*<sup>xii</sup> which found that one in two women surveyed had experienced discrimination at work either while pregnant, while on maternity leave or on returning to work. 84% of those women reported that the discrimination had a negative impact on their mental health (such as stress and reductions in confidence and self-esteem), physical health, families, finances, career and job opportunities. In addition, 27% of the fathers and partners surveyed also experienced discrimination in the workplace related to parental leave or return to work, despite the fact that 85% of them took less than 4 weeks of leave.

The then Sex Discrimination Commissioner, Elizabeth Broderick, puts the data on discrimination into perspective:

*This is affecting women from all walks of life - from those in casual jobs or on manufacturing lines to those who are specialist medical practitioners.... They all use words like 'disempowered', 'demeaning', and 'demoralising' on an alarmingly regular basis. So many said to me 'you start doubting yourself and your ability' because they were being pushed out of jobs simply because they were pregnant, took parental leave or wanted to return to work part time. I heard from women who felt they had no choice but to change their entire careers as a result of the discrimination.*

*It gets worse. Others told of experiencing a nervous breakdown as a result of their treatment in the workplace. In our consultations we met families who had lost their homes because of the intimidation that had forced one wage earner out of work, making them unable to pay their mortgage. We heard from women who had miscarried from the stress. It was not uncommon to find that women were made to breastfeed or express milk in a toilet. One pregnant woman was denied toilet breaks until she wet herself at the cash register she was working. In one horrifying account, we met a woman who was told she would only be able to keep her job if she had a termination.<sup>xiii</sup>*

One of the key advantages of the current PPL scheme is its contribution to changing workplace attitudes about pregnancy and parenting. In its current form, the PPL scheme ensures that all women can have 18 weeks leave at the minimum wage, and then encourages employers to provide more leave. In other words, the current government system effectively subsidises employer PPL schemes - employers only have to offer their employees 8 weeks of paid leave to bring their worker's entitlements up to the recommended 6 months of breastfeeding. This encourages employers to develop their own scheme to attract and retain employees, which in turn helps to normalise PPL in the workplace. Under the proposed amendments, employers would have to cover the entire period themselves to give their employees the same benefit.

In its 2015/16 budget, the Government described the Government / employer partnership structure of the present scheme as 'double dipping', with the implication being that the women accessing the scheme were somehow rorting the system. This description (and the subsequent commentary) ignored the crucial role played by the Government / employer partnership in addressing workplace culture by supporting business to embrace PPL.

Even with the current PPL scheme in place, only 48% of employers reporting to the Workplace Gender Equality Agency (WGEA) have a paid parental leave scheme in place<sup>xiv</sup>. We are concerned that, without the incentive of the automatic government contribution, the changes will see employers drop out of PPL, leaving the Government scheme to pick up the slack and offer a too-short period of leave to new Mums. If this happens, we may not see budget savings at all, and we certainly won't see the development of a workplace culture which combats the current high levels of discrimination experienced by pregnant employees and returning parents.

### **Women's workforce engagement – a backward step**

We're not currently doing a great job at getting women into work, but PPL is starting to make a difference.

The workforce participation rate for women is 59.3%, compared with the male rate of 70.4%. Women are more likely than men to be in part time or casual work: women make up 71.6% of all part-time employees, 36.7% of all full-time employees and 54.7% of all casual employees<sup>xv</sup>.

Only 48% of employers reporting to WGEA have a PPL scheme in place and only 62.9% of reporting organisations have either a policy and/or strategy for flexible working arrangements.<sup>xvi</sup>

A longer period of PPL encourages mothers to take adequate leave after the birth of a child while still remaining connected with their employer, which increases the chance of women returning to the workforce and maintaining their employment after returning. The Department of Social Security's review of the current PPL scheme found that PPL increased mothers' tendency to return to work in the longer-term, so that more mothers had returned to work at 12 months after the birth of their baby. It also found that those mothers who returned were more likely to sustain their employment in the longer term than mothers who returned to employment before the PPL scheme was available<sup>xvii</sup>.

The proposed amendments have been described by the Federal Government as a measure to improve women's workforce participation. We are concerned that this view doesn't take into account the need for women's workforce participation to be both sustainable and realistically achievable when faced with the unpredictable demands of parenting. Women need the flexibility to make their own choices about when to return to work.

### **What about the proposal to extend the Government scheme to 20 weeks?**

While we appreciate the attempts by cross bench Senators to improve the scheme, an extra two weeks won't make up for the damage caused by the loss of the Government / employer partnership. One of the key benefits of the current scheme is the effect it has on workplace culture. We're trying to reverse generations of stereotyping of pregnant women and mothers (and fathers) as a business risk and an inconvenience. The PPL scheme is a great means of doing this by means of a carrot rather than a stick. Businesses deserve proactive and positive programs like the PPL scheme which actively encourage steps towards gender equality, for the benefit of communities, businesses, women and kids.

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<sup>i</sup> *Eat for Health - Infant Feeding Guidelines Information for Health Workers* 2012 National Health and Medical Research Council

<sup>ii</sup> *Breastfeeding and early white matter development: A cross-sectional study* Deoni et al *NeuroImage* vol. 82 15 November 2013 pp77-86 <http://www.sciencedirect.com/science/article/pii/S1053811913005922>

<sup>iii</sup> Kramer et al *Breastfeeding and Child Cognitive Development New Evidence From a Large Randomized Trial* 2008 ARCH GEN PSYCHIATRY/VOL 65 (NO. 5), MAY 2008 <http://jamanetwork.com/journals/jamapsychiatry/fullarticle/482695>

<sup>iv</sup> Huang et al *Breastfeeding and trajectories of children's cognitive development* 11 *Developmental Science* Volume 17, Issue 3 May 2014 pp 452-461 <http://onlinelibrary.wiley.com/doi/10.1111/desc.12136/abstract>

<sup>v</sup> Victoria et al *Association between breastfeeding and intelligence, educational attainment, and income at 30 years of age* *The Lancet* Volume 3, No. 4, e199-e205, April 2015 <http://www.thelancet.com/journals/langlo/article/PIIS2214-109X%2815%2970002-1/abstract>

<sup>vi</sup> Lamb et al *Early-Life Predictors of Higher Body Mass Index in Healthy Children* *Annals of Nutrition and Metabolism* vol. 56 No.1 2010 <http://www.karger.com/Article/Abstract/261899>

<sup>vii</sup> Australian Institute of Health and Welfare 2011 *2010 Australian National Infant Feeding Survey: indicator results* Canberra: AIHW

<sup>viii</sup> Department of Families, Housing, Community Services and Indigenous Affairs. *Paid Parental Leave evaluation: Phase 1* Occasional Paper No. 44 [https://www.dss.gov.au/sites/default/files/documents/06\\_2012/op44.pdf](https://www.dss.gov.au/sites/default/files/documents/06_2012/op44.pdf)

<sup>ix</sup> Department of Social Security *Paid Parental Leave scheme Review Report* June 2014 viewed 25 November 2016 at [https://www.dss.gov.au/sites/default/files/documents/06\\_2014/paid\\_parental\\_leave\\_scheme\\_review\\_report.pdf](https://www.dss.gov.au/sites/default/files/documents/06_2014/paid_parental_leave_scheme_review_report.pdf)

<sup>x</sup> *Parental Leave Systems* OECD Family database <http://www.oecd.org/els/family/database.htm> OECD Social Policy Division 28

<sup>xi</sup> Brown, A., & Harries, V. (2015). Infant sleep and night feeding patterns during later infancy: association with breastfeeding frequency, daytime complementary food intake, and infant weight. *Breastfeeding Medicine*, 10(5), 1-7.

<sup>xii</sup> Australian Human Rights Commission *Supporting Working Parents - Pregnancy And Return To Work National Review* 2014 Viewed 25 November 2016 at <https://www.humanrights.gov.au/our-work/sex-discrimination/publications/supporting-working-parents-pregnancy-and-return-work>

<sup>xiii</sup> Broderick, Elizabeth, *Workplace Discrimination Begins at Pregnancy* Sydney Morning Herald 8 April 2014

<sup>xiv</sup> Workplace Gender Equality Agency *Australia's gender equality scorecard: Key findings from the Workplace Gender Equality Agency's 2015-16 reporting data* November 2016 viewed 25 November 2016 at <https://www.wgea.gov.au/sites/default/files/2015-16-gender-equality-scorecard.pdf>

<sup>xv</sup> ABS (2016), *Labour Force, Australia*, June 2016, cat. no. 6202.0, viewed 25 November 2016, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0/>

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<sup>xvi</sup> Workplace Gender Equality Agency *Australia's gender equality scorecard: Key findings from the Workplace Gender Equality Agency's 2015-16 reporting data* November 2016 viewed 25 November 2016 at <https://www.wgea.gov.au/sites/default/files/2015-16-gender-equality-scorecard.pdf>

<sup>xvii</sup> Department of Social Security *Paid Parental Leave scheme Review Report* June 2014 viewed 25 November 2016 at [https://www.dss.gov.au/sites/default/files/documents/06\\_2014/paid\\_parental\\_leave\\_scheme\\_review\\_report.pdf](https://www.dss.gov.au/sites/default/files/documents/06_2014/paid_parental_leave_scheme_review_report.pdf)