

Media Release

Tuesday 11 September 2007

We vote 'Yes' but politicians differ on Paid Maternity Leave

- **Howard: *not necessary***
- **Rudd: *definitely a Productivity Commission enquiry if elected***
- **Stott-Despoja: *do it now***

While federal politicians continue to disagree, more than a thousand Australian organisations and individuals have indicated through an on-line petition (www.nfaw.org) that Paid Maternity Leave is a key issue for the next election.

This strong response follows a recent Newspoll survey that revealed an overwhelming 76% of Australians support paid maternity leave, with 78% wanting financial responsibility to be shared jointly by employers, workers and the Federal Government.

All major political parties have been asked to commit to an inquiry into funding a national paid maternity leave scheme by the National Foundation for Australian Women, the NSW Commission for Children and Young People, the National Investment for the Early Years and the Australian Families Association. The request has elicited significantly different reactions:

- SA Democrat Senator Natasha Stott-Despoja will introduce a Private Senator's Bill to establish a national scheme for 14 weeks paid maternity leave for all working women.
- Labor Leader [Kevin Rudd has written](#) committing to the following: *"If elected I will ask the Productivity Commission to examine the effectiveness of different models to improve support for parents in the labour force with new born children, their likely impact on work and family preferences and workforce participation more generally. The inquiry would also investigate the cost effectiveness of different models, their likely impact on business and interaction with the social security system. Labor would publicly release the findings of this report."*
- The Prime Minister said he considers the Baby Bonus to be an adequate alternative.
- The Australian Greens want to introduce a national scheme.

"These surveys and NFAW's on-line petition reflect the high level of community concern that Australian families and especially young children are paying the price for a haphazard and inequitable system under existing workplace arrangements," said Ms Gillian Calvert, the NSW Commissioner for Children and Young People.

The AC Nielsen Poll (10 September) shows that industrial relations, of which paid maternity leave is an element, is the number three issue for the election. Marie Coleman, spokesperson for the NFAW said today's call by the Labor Party for an Enquiry was 'warmly welcomed'.

"The National Press Club plans a debate with key representatives of the major political parties, with paid maternity leave as a key issue - which may see further development by the Government of their position," Ms Coleman said.

PAID MATERNITY LEAVE: THE FACTS

Who has access to Paid Maternity Leave?

At a time when international provisions are increasing, the best available data suggests that only 37% of Australian working women currently have access to some paid maternity leave, leaving 63% without any.

Only 19% have access to 14 weeks or more paid leave.

Women on low pay, in smaller workplaces, in the retail and accommodation sectors, and/ or in private employment, have much less access than other women.

Australia and the US are the only OECD countries with no national system of PML available to working women.

What industries offer paid maternity leave?

Only 12.3 per cent of those women working in accommodation and food services had access, 25.9 per cent of those in retail, 36.5 in manufacturing and a third of those in general services employment.

Around two-thirds of those in the finance industry and education had access to PML.

The gaps are very wide by skill with only 21.2 per cent of labourers and 22.1 of sales workers having theoretical entitlement to any PML, compared to over half of managers and 63.9 per cent of professionals.

Just over a third of those in the private sector had any entitlement, compared to 73.5 per cent of those in the public sector. The gap is also very wide for part-timers, with only 27.7 per cent of part-time workers having any entitlement compared to 57.5 of full-timers (ABS Cat No 6310.0, August 2006).

A formal and structured system of paid maternity leave would reduce these obvious inequalities between women, especially those employed in lower paid jobs.

Neither collective or individual bargaining are likely to ensure a system providing general access to the majority of Australian working women anytime soon – almost a century after the ILO declared PML a basic working right.

What benefits can Paid Maternity Leave deliver?

For the parent and child:

Paid maternity leave contributes to:

- ✓ reducing overall infant mortality
- ✓ improved child cognitive, social and emotional development
- ✓ longer breast feeding
- ✓ improved maternal and child health (including increased immunisation rates)
- ✓ savings in child care costs.

By contrast, unpaid leave has no significant effects on infant health.

These outcomes are consistent in a range of countries, years, economic circumstances and independent of other positive family-friendly measures.

For employers:

Paid maternity leave is increasingly seen by employers to benefit their organisation by:

- ✓ Increasing the number of employees returning to work after maternity leave
- ✓ Reducing recruitment and training costs
- ✓ Improving staff morale and productivity
- ✓ Providing a cost-effective means of retaining skilled staff
- ✓ Improving organisational efficiency through the benefits of long service - institutional memory, industry knowledge, networks and contacts.

In 2005, the Equal Opportunity for Women in the Workplace Agency's Annual Survey found that the retention rate of female employees that had taken maternity leave was 67% at organisations where paid maternity leave was provided, but only 56% at organisations where no paid maternity leave provisions were offered.

Employers that provide paid maternity leave provisions are signalling their commitment to their employees. This typically translates into increased job satisfaction, greater employee productivity and improved employee loyalty.

For the economy:

James Heckman's analysis (2006) demonstrates the economic dividends of early quality parental care (including through measures like paid maternity leave) that result in long term savings for governments (and better wellbeing for children and parents).

Labour market participation rates of women, work and family arrangements in various OECD countries show that Australian women's employment participation rates are much lower, ironically at a time of rising concern about the challenges of an aging workforce.

Paid maternity leave has also been linked to increased fertility rates (especially for the likelihood of subsequent children) and this has implications for addressing future labour market shortages.

Note: A representative Newspoll of 1202 Australians commissioned by the National Foundation of Australian Women (NFAW) with others in June 2007, shows a high level of support for PML with over three-quarters of all Australians in favour of all working women having access to some type of PML.

To read the full report go to: <http://www.nfaw.org/social/maternity/index.html>

Media inquiries to:

**Marie Coleman, National Foundation for Australian Women on
0414 483 067**

**Michelle Neathercote, NSW Commission for Children and Young
People on 0413 456 080**