

Department of the Senate PO Box 6100 Parliament House Canberra ACT 2600 Australia
Senate Inquiry Submission
Paid Parental Leave

Dear Secretary,

“FaHCSIA aim is to help support families and children through and .” All families equally.

The Government is to be congratulated for the proposed Parent Paid Leave (PPL).

However in its present form this Bill is discriminatory against stay at home parents.

“Mothering is the most important job” “Mothering is the hardest job” so much rhetoric, the Government now has a chance to do something about the disparity between working mums and mums on the workforce. There is no question both work very hard and both deserve equal treatment.

1) End Discrimination

Rudd’s PPL would give 148,000 families an average of \$7,342 after tax and 161,000 families the \$5,340 Baby Bonus. Instead of this discriminatory funding, all families referred to in the 2011 Budget Estimates (those earning under \$150,000) could receive around \$6,300 each to help ALL mums afford bonding time.

Equal funding for all mums would be simple to calculate and administer. Amend the Bill to deliver this funding via the Government (similar to the current Baby Bonus payment means) and save taxpayers and business the unnecessary, high costs of using businesses as the "government paymaster".

2) Eliminate “work test” and “income test”

These tests unfairly exclude unwaged mums doing their own childcare work between pregnancies. This is unfair! All families reduce income to pay for childcare - whether parent care or outsourced care (eg. daycare).

Why should federal government funding punish families for their long term choice of "parent care"? Amend the Bill to remove the "work test" (sections 32 to 36 of draft Bill) and the "income test" (sections 37 to 41 of draft Bill).

3) The proposed Paid Parental Leave will not boost fertility

There is no proof that Paid Parental Leave will boost Australia's fertility. After 30 years of Paid Parental Leave and heavily subsidised daycare, the Swedish birth rate is behind Australia’s. Sweden has more generous paid parental leave than any nation, but its fertility rate in 2007 was just 1.66 – compared with Australia’s 1.93)

4) Paid Parental Leave will not "pay for itself"

The Explanatory Memorandum to the Bill says "It is expected that the cost of the scheme will be offset by increases in tax revenue and by reductions in baby bonus and family tax benefit Part B outlays and tax offsets for people receiving parental leave pay."

(underlining and bold added). These offsets will go nowhere near funding this expensive scheme that no individual can "afford". It is more likely, as in Sweden, that this costly scheme will not pay for itself and will result in increased taxes.

The costs of the scheme will expand annually as more women are forced to get paid work in order to get preferential funding. It's government funding, it should go equally to

every child born.

5) Paid Parental Leave is discriminatory "childcare funding"

It funds "short term parental childcare" but discriminates against families that use parent care long term. For example families where mum cares for a baby beyond 6 months of age or between pregnancies, risk missing out on Mr Rudd's Paid Parental Leave for their 2nd or subsequent child. Paid Parental Leave is really a Bonding Time Reduction Scheme. The only way to increase bonding is to give the same funding to support mother bonding for every newborn.

6) Double dipping - There appear to be no safeguards in the draft Bill to stop mothers claiming PPL but putting their newborns into daycare and "double dipping" by claiming the 50% Child Care Rebate.

Please amend this Bill to include all families equally.

Sincerely

Anne-Marie Pike