Submission to Senate Inquiry into Paid Parental Leave

Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

10th May 2010.

The present Bill is unfair for the following reasons:

1. Amend the Bill to eliminate 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, giving 37% more birth support to families with waged than unwaged mums, 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.

2. Equal payments, sould save taxpayers and business costs

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".

3. Amend the Bill to remove the "work test" and the "income test" from the Bill

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).

4. The proposed discriminatory 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 http://www.indexmundi.com/sweden/total_fertility_rate.html - compared with Australia's 1.93 http://www.medicalnewstoday.com/articles/117701.php)

5. 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.

6. 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.

7. 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, thereby wasting taxpayers' money and defeating the purpose of the scheme to promote mother and child bonding.

8. Exclude abortion funding - The Bill gives Paid Parental Leave for stillborn babies. In many cases aborted babies reaching 20 weeks gestation or 400g in weight, who are born dead or alive (to die subsequently) are recognised and recorded in Birth Registries as "stillborns". To avoid any doubt, amend the Bill to ensure Paid Parental Leave funding does not go to babies who are stillborn or die after birth as a result of elective terminations.

Yours Sincerely;