

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

Submission on Paid Parental Leave Bill 2010

Dear Senators,

1. Endeavour Forum Inc. is a national pro-family women's NGO having special consultative status with the Economic & Social Council of the United Nations.
2. We urge you to amend the Paid Parental Leave Bill 2010 to eliminate discrimination against children based on the workforce status of their parents. On our calculations, this Bill 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 on an equitable basis. This would eliminate discrimination against children whose mothers remain out of the paid workforce so they can provide personal care for their infants. Such families are already under a degree of financial stress because they forego a second income and they should not be penalised further.
3. Equal funding for all mothers would be simple to calculate and administer. If the Bill was amended to deliver this funding via the Government in the same way as the current Baby Bonus is paid, it would save taxpayers and business the high costs of using businesses as the "government paymaster", the costs of "churning", and the costs of government supervision of the payments. Keep it simple and non-discriminatory against single-income families.
3. The Bill should be amended to remove the "work test" and the "income test". These tests unfairly exclude mothers who are out of the paid workforce and who provide their own childcare work between pregnancies. This is unfair! All families reduce income to pay for childcare - whether parent care or outsourced daycare. The government should not penalise families for their long term choice of "parent care". The Bill should be amended to remove the "work test" i.e. sections 32 to 36 of draft Bill and the "income test", i.e. 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." There is no proof of this. It is more likely, as in Sweden, that this costly scheme will not pay for itself and will result in increased taxes.

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 the mother 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. Norway has found that subsidizing long day care does not make economic sense, and now subsidizes parents who care for their children at home.

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.

9. If a public inquiry is held, we would appreciate the opportunity to make a further verbal submission. The World Health Organisation recommends that breastfeeding continue for at least two years. The Paid Parental Leave policy discriminates against those mothers who remain out of the paid workforce and who continue to breastfeed their infants. This is not in the best interests of the mothers (i.e. long-term breastfeeding reduces the incidence of breast cancer) or of infants who derive reduced risks of infections, allergies and obesity from long-term breastfeeding.

Mrs. Babette Francis,
National & Overseas Co-ordinator

6 May 2010