

Submission

Community Affairs Legislation Committee for inquiry

Regarding Paid Parental Leave Bill 2010

By

Unions NSW

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Unions NSW recognises the impact of the national debate on the provision of Parental Leave and the introduction of the Paid Parental Leave Bill 2010 (Exposure Draft) by the Government as a significant and historic moment of our time in relation to addressing social inequities in relation to women and in the most practical of means of supporting those who are raising future generations.

At the outset, Unions NSW regards that the implementation of the Paid Parental Leave Scheme on January 2010 is critical for establishing certainty for Australia's families and individuals. There is a high expectation that the Scheme will become effective in January 2011 and we believe that it is of utmost importance that this Bill should pass through both Houses and become law in the forthcoming session of Parliament.

In the submission to the Productivity Commission dated June 2008, Unions NSW argued for a scheme that:

Provides families with a minimum of six months of paid support as a minimum. We argued for a six month minimum because the World Health Organisation suggests that, if possible, infants should be breast fed, for the first six months of life to maximise health outcomes.

Is Universal.

Provides for full wage replacement and is portable, so that the primary carer, (men and women) are able to access the leave even in the event that they have changed jobs and are not entitled to access to leave under current employment conditions.

Makes access to fathers or partners the payments available to women if they are acting as the primary carer of the child.

Unions NSW recognises that Australia's position in relation to the provision of a universal paid parental leave scheme is lagging behind the availability of other similar economies In the OECD.

In assessing the Paid Parental Leave Bill 2010 (Exposure Draft), Unions NSW recognises that the Government has met the argued essentials of the submission with respect to:

Universality, and,

Access to fathers or partners for payments where they are acting as the primary carer of the infant.

Whilst acknowledging these significant steps to progress our Nation towards improved paid parental leave, we are equally conscious of the shortfall of the proposed scheme as outlined in the Bill in relation to:

Length of payment

Quantum of Payment

Exclusion of Superannuation contributions by Employers for the duration of the scheme's payments.

Unions NSW remains committed to striving to achieve progress for a full wage replacement scheme which is portable, and, which provides support for a minimum of six months. We are unmoved by the range of arguments that have been raised during the debate relating to the high cost of such a scheme as they continue to rely on a traditional image of women as primary carers of infants and children and continue to have the financial burden of child bearing and rearing on women by not only losing net pay but

also superannuation benefits thus resulting in the wealth gap between men and women and lower retirement incomes of women. However, we are conscious and mindful of the costs of this scheme and believe that in terms of the future development of a civil and cohesive society, it is appropriate that such cost be met from the Commonwealth's budget.

Despite the significant changes in women's economic circumstances in recent history, it remains that there is a gap of approximately 60% between the incomes of men and women in Australia. The predicament facing many women who are dependent on partner income for long term financial security are inextricably linked to the reality that women earn less, have lower superannuation accounts, more breaks in employment and bear the financial burden associated with undertaking care for both children and grandchildren, as well as elders. This is not an ideal social structure for equality.

Although research suggests that the trend for the improvement of women's income will improve and increase, it remains that there will still be generations of women who will remain poorer in terms of personal wealth and have low income levels during retirement.

It is for this reason, that Unions NSW is concerned that superannuation contributions and full wage replacement were not proposed for inclusion by the Government. This is an issue which will continue to impact on the current generations of female workers until it is corrected and appropriate social consideration and value is attached to the social inputs of women in bearing and raising the next generation of Australians.

The continuation of these practices sustains the disincentives for men to take parental leave and place the burden on the provision of such benefits on feminised industries and occupations. This is not an equitable situation for employers in these industries as those employers with few female workers do not contribute to the value of the social inputs of women. Until there is a full wage replacement with superannuation, there can be no real equity for men and women in being able to access Paid Parental Leave. The current situation for men is that in taking Paid Parental leave under this scheme, they will be treated on the same basis as women (in fulfilling their traditional role of primary carer), rather than women being treated on an equal basis with men.

Whilst the union movement recognises that it may play a role to bargain for greater access and conditions at the workplace level, we continue to argue that the provision of 18 weeks to be paid at the AWE rate and without superannuation contributions falls short of a satisfactory outcome for our Nation both in terms of valuing the contribution of women as child bearers and primary parents, and providing incentives for men to be able to partake of the leave, bond with their infants and share the responsibilities of caring for their young children. Unions NSW argued for a Universal scheme to ensure that all children born in Australia would benefit, and not only those children of workers who had won Paid Parental Leave in their respective industrial instruments. The health of infants and of their family members remains the key consideration of Unions NSW in making this submission.

For the purposes of this submission we are in agreement with the submission made by the ACTU relating to the Bill. Rather than duplicating within this submission each aspect that is agreed, we provide our support on all other matters.

Those matters which we support the ACTU position and submission upon and cause Unions NSW grave concern follow:

#### Eligibility

The current eligibility requirements are well understood and generally are satisfactory to meet the needs of regular workers who may be permanent, full time, part-time, casual or contractors.

There is one group of workers who have interests and are not included in the draft Bill are Seasonal workers. Those workers who are employed on a seasonal basis, such as Academics working in a Tertiary Education setting, TAFE teachers, Broadcasting, Agriculture, Hospitality and Tourism etc have a different rhythm in their working life and although they are understood to be engaged in work, they will not satisfy the requirements of the eligibility test due to the length of the off season.

Unions NSW seeks that these workers be included within the eligibility criteria by extending the definition of service which embraces seasonal workers by adding an additional sub clause which relates specifically to those who work seasonally.

#### Keeping in Touch Provisions

Unions NSW understands that the Keeping in Touch Provisions are based in the spirit of affording opportunities for workers to participate in professional development opportunities that may arise during the period of Paid Parental Leave. We note, however that there is an inconsistency between the National Employment Standards which require an employee to have 6 weeks following confinement as the minimum break and yet in the draft Paid Parental Leave Bill reference is made to “not before 14 days”. The basis for the 6 weeks leave in the Industrial arena was based on the health of the employee and as such it appears to be not in the best interests of an employee to be interrupted for Professional Development reasons prior to the expiration of the first six weeks of leave. Unions NSW seeks that the mention of 14 days in relation to “Keeping in Touch” be deleted and be replaced by six weeks.

#### Regulation Impact Statement

Union NSW notes that Regulation Impact Statement makes specific reference to the costs of educating employers about the new scheme.

Although the Legislation does not address the matter of Community or Public Education of the Paid Parental Leave Bill, we are concerned that the implementation of this scheme must be effective in ensuring the engagement of both Employers and Employees and all other members of the community. In our very recent experience in talking to the community about this proposed scheme it is clear that there remains a very poor understanding of the scheme amongst small employers and the self employed who perhaps are not organised into any employer organisation. The same is true of many in the community who work in small businesses. Fear continues to exist that Employers are required to meet these costs as they do not understand that payments will be made in advance to negate cash flow problems and will be supported by the Government.

The need to educate Employers regardless of size and undertaking is critical to the success of this scheme about the purpose and obligations and conditions of Paid Parental Leave. The penalties that are applied in instances where a breach occurs are satisfactory but emphasise the need for education to be effective. We recognise that there are many women who are employed in small business or a self employed and would be concerned if there were gaps within the groupings of employers who are not engaged in learning about the scheme, its purpose and their obligations.

We are equally concerned that an effective community wide education programme is undertaken so that the general community is provided with the means of obtaining further information and knowledge about the scheme. Education is vital for all in the community and it is necessary to factor in the needs for the community to be given access to resources to assist in reducing the number of grievances or difficulties in accessing this scheme.

Conclusion:

UnionsNSW acknowledges the significance of the introduction of this Bill into the Parliament. As the Peak Council of Unions in New South Wales we are proud of our part in this historical moment. We submit that it is critical for this Legislation to pass through the Senate and become the first step towards greater social and economic equity for women.

Our role in the future will be to continue to lobby and campaign the Federal Government for improvements based on the community health and well being of future generations of Australians. This responsibility is one that remains that of the Federal Government to secure. For its part UnionsNSW will continue to be advocates for both social and industrial improvements. There are clear opportunities to improve not only the health and well being of workers but of all members in the community.

Unions NSW will not support a delay in continuing dialogue within the broad community and in political and industrial forums that results in a long lead time for further improvements and progress towards equity for women. We are firm in our conviction that opportunities must be made by Government to lead further debate and make further progressive changes to legislation without delay and with priority.

