



Dissenting Report – Julia Irwin MP, Jennie George MP, Harry Quick MP and Kate Ellis MP

Introduction

The inquiry and report of the Family and Human Services Committee – Balancing Work and Family has been a wasted opportunity. For what is one of the most important issues facing Australia today, the report fails to get to the heart of the issue. It is narrowly focused on short term political measures despite a wealth of evidence pointing to the need for greater depth of analysis and innovation in policy making.

For working families, the report offers little in the way of constructive measures to address the increasing stress caused by the intrusion of work into family life and the care of children. The report naively relies on the Government's WorkChoices Legislation and Welfare to Work Program as a panacea to the needs for flexibility and family friendly workplaces. Government advertising and industry awards are the ineffective tools proposed to bring about the cultural change in workplaces necessary to allow employees to balance their work and family lives.

The committee heard evidence of innovative policies which governments in other countries are adopting to address these issues. Labor members believe that substantial opportunities to help working families exist in adopting such initiatives as: the right to request part time work, paid maternity leave, unpaid extended maternity leave and providing greater financial security.

For the nation, the report acknowledges the need for increased female participation in the workforce and recognises that this is critical to maintaining overall participation as the population ages. But the measures

proposed do little to improve female workforce participation, their effect as measured by consultants Econtech, provide for greater compensation for high income earners with no changes proposed for low and middle income earners. None of these recommended changes were seen to improve participation.

The operations of existing child care programs, the Child Care Benefit and Child Care Tax Rebate, were not examined for improvement. Instead, the inquiry focused on tax deductibility for child care expenses as a cure-all for the problems faced by working parents. As clearly shown in the Econtech report commissioned by the committee, only families with individual incomes above \$75,000 will benefit and there is no real incentive to encourage the bulk of working age women to increase work hours. Tax deductibility for child care is simply welfare for the wealthy.

The opposition members on the Family and Human Services Committee wish to thank the many organisations and individuals who made submissions to or appeared before the committee. We regret that the committee process did not allow for many submissions to be fully considered. The report would have been far more valuable if the input from the wide range of community and expert views were taken on board.

The opposition members also wish to express their thanks to the committee secretariat staff. The comments in this dissenting report should in no way be taken as a reflection on their competence or diligence.

The conduct of proceedings at the consideration stage of the report prevented a full discussion of the draft report. The concerns of opposition members are expressed in the attached letter to the Speaker from the Deputy Chair of the committee, Julia Irwin MP.

Opposition members embarked on this inquiry with great hope and enthusiasm to address this critical social and economic issue. We would have hoped that a bipartisan report could have been adopted by the committee. It is with great disappointment that we submit this hastily prepared dissenting report.

Signatories to this dissenting report are:

Julia Irwin MP (Deputy Chair)

Jennie George MP

Harry Quick MP

Kate Ellis MP



The Hon David Hawker MP
Speaker of the House of Representatives
Parliament House
CANBERRA ACT 2600

6 December 2006

Dear ~~Mr Speaker~~ *David,*

I am writing to express my grave concerns about many aspects of a parliamentary inquiry and the ensuing report, stemming from the unprofessional conduct of the committee chair.

As raised with you this morning, Labor members of the Committee on Family and Human Services are deeply disappointed by a variety of actions and decisions taken in recent weeks by the Member for Mackellar, Chairperson of the Committee's inquiry into balancing work and family.

The final report as agreed by the Committee on Monday – necessarily in the absence of Labor members – is likely not to reflect the views of the committee as a whole. I say likely rather than certainly only because at the time of writing I have been denied access to the final report or even the latest draft.

I wish to bring to your attention the following matters.

1. Labor members of the Committee, including the Deputy Chair, have been denied access to the final report as adopted by the Committee in our absence on Monday 4 December.
2. Economic modelling on key recommendations of the report, commissioned by the Committee and paid for by the taxpayer (at the price of \$17 000), was delivered to my office at 10:30 am this morning but had not been circulated to other Labor members of the Committee at the time of writing.
3. This information has been provided to Liberal members.
4. Labor members of the Committee have been insulted by the decision of the Chair – acting outside her powers - to enable them to merely 'view' the consultant's report in her office or in the office of the secretariat, despite Liberal members of the Committee being given copies to take away.



5. The Chair told me an untruth about access to the consultant's report— she claimed in conversation with me on the evening of Tuesday 5th December that Liberal members of the Committee had not been given copies of it, and they had.
6. The Chair has harassed the staff of the secretariat, imposing completely unreasonable deadlines on them, as well as unreasonable restrictions on their obligations to other committee members.

I note for example that committee members have received emails from secretariat staff after midnight. Staff have been required to work excessive hours for many weeks. The Chair has also directed the secretariat to withhold information on a partisan basis that all committee members are entitled to, which has clearly put a great amount of stress on the staff.

The Chair's unconscionable treatment of the secretariat staff is chillingly ironic, given that we are conducting an inquiry into work and family balance.

7. Labor members of the Committee are unable to receive secretariat assistance in preparing a dissenting report, because the Chair's demands are already forcing staff to work around the clock. Labor MPs are not prepared to increase the massive burden and stress on the secretariat staff by asking for assistance with a dissenting report, despite being entitled to do so.
8. Labor MPs have been given a deadline of 2 pm on Thursday 7 December for a dissenting report or comments, despite not being provided with a copy of the final report. It is impossible to write a dissenting report without access to the report. It is manifestly unreasonable to be expected to write a dissenting report in less than 36 hours on an inquiry that has lasted for 2 years and heard countless hours of evidence.
9. The Chair held a meeting at 10 am Monday 4 December, when no Labor members of the Committee could be present because of a leadership ballot. The Chair proceeded with this meeting despite being notified of the clash, and asked to postpone it to later time that day.
10. At this meeting, Liberal members of the Committee voted to adopt the report, knowing that ALP members did not support key recommendations, and had not been provided with the consultant's evidence about the effect of some of the key recommendations.
11. The Chair did not allow me access to the draft minutes of the meeting on Monday, thereby hiding all other motions carried at the meeting from Labor members.

I seek your view that each of the above matters is contrary to the spirit and practice of committee practice.



I also seek your confirmation of the following principles of House of Representatives Committee procedure in this Parliament:

- All members of a committee are entitled to receive information commissioned by the Committee, both automatically and on request;
- the Chair has no right to direct secretariat staff otherwise;
- All members of a committee should be treated equally;
- In particular, information made available to members of the committee from one political party must be available to members from other political parties;
- All members of a committee are entitled to view the most recent draft, as well as the final report, that have been viewed by other committee members and agreed to by the committee;
- Secretariat staff have rights and conditions, and should not be required to work unreasonable hours;
- Secretariat staff are not the personal staff of the chair, and it is unreasonable for the Chair to treat them as such.

Finally, I understand that the Chair wishes to table the final report out of session at the end of this week, to enable certain newspapers to cover the report in their weekend editions. I request that if she seeks your consent that you exercise your powers (under Standing Order 247) to refuse publication of the report, and to order that it be referred back to the Committee, so that its content can be considered by Labor as well as Liberal members.

Yours sincerely,

Julia Irwin
Member for Fowler
Deputy Chair of the House of Representatives Standing Committee on Family
and Human Services

Recommendation 1 (freezing HECS debts) – Disagree

Labor disagrees with recommendation one. Instead of freezing HECS debts the Government should be addressing the level of debt.

The minimum debt for a humanities student with a Commonwealth supported place who defers payments is \$5,000 per year of study.¹ While degrees in national priority areas such as education and nursing are slightly lower (costing \$4,000 per year), those in fields such as law and medicine can cost up to \$8,000 per year of study.² A debt of \$15,000 (indexed to CPI) is common for graduates.³

The National Union of Students estimates that by the age of 65 only 77 per cent of women will have paid their HECS debt, compared to 93 per cent of men.⁴

Estimates figures from the Department of Education, Science and Training show that university graduates and students will owe \$18.8 billion by 2008-09 (includes both HECS and FEE-HELP). This is up from \$13.1 billion in 2005-06.⁵

The Australian Vice Chancellors Committee 'Report on applications for undergraduate courses' shows that the Government's fee increases are turning some young Australians away from going to university. The report shows a 'decline in applications over the last three years from a high of 229,427 in 2003 to 218,529 in 2006'.⁶

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- 1 Department of Education, Science and Training, 'What you pay' viewed on 27 August 2006 at <http://www.goingtouni.gov.au/Main/FeesLoansAndScholarships/Undergraduate?commonwealthSupportForYourPlaceAndHECS-HELP/WhatYouPay.htm#top>.
 - 2 Department of Education, Science and Training, 'What you pay' viewed on 27 August 2006 at <http://www.goingtouni.gov.au/Main/FeesLoansAndScholarships/Undergraduate?commonwealthSupportForYourPlaceAndHECS-HELP/WhatYouPay.htm#top>.
 - 3 Department of Education, Science and Training, 'What you pay' viewed on 27 August 2006 at <http://www.goingtouni.gov.au/Main/FeesLoansAndScholarships/Undergraduate?commonwealthSupportForYourPlaceAndHECS-HELP/WhatYouPay.htm#top>.
 - 4 National Union of Students quoted in Duffy R, 'Increased Institutional Wealth At The Cost Of Student Futures, Implications Of Increasing HECS Fees at UNSM', p 6, viewed on 18 November 2006 at http://oldwww.pgb.unsw.edu.au/content/files_pdfs/Implications%20of%20Increasing%20Fees%20at%20UNSW3.doc.
 - 5 Department of Education, Science and Training, quoted by Jenny Macklin, media release.
 - 6 Australian Vice Chancellor's Committee, Report on Applications for Undergraduate Courses', 2006.

Instead of simply freezing the HECS debt of second earners in couple families and for single parents until their youngest child reaches school age, the Government should take more concrete measures to stop the massive HECS fee increases.

The Australian Labor Party believes the Government should be providing greater assistance to university students by stopping the massive HECS fee increases, reducing the overall financial burden on students and providing HECS relief for degrees in areas of skill shortages.

Recommendation 2 (fertility information campaign) – Partly Agree

Labor commends the committee report for noting the impact financial security has on couples when choosing to start a family.

Young people are taking longer to get ahead, and thus are taking longer to have a family.

Many young couples are concerned about their financial stability as a key factor influencing when they have children.

The Working Women's Centre of South Australia informed the committee:

Many women feel they cannot afford to start having children until they are debt free. Many women who have studied begin their working lives with a HECS debt which they feel puts them at a financial disadvantage. It is not uncommon for women to state that they wish to pay off their HECS debt before considering having children and are keen to do that as quickly as possible.⁷

Labor acknowledges that bearing children is an expensive endeavour.

In their paper, 'The costs of children in Australia today', Richard Percival and Ann Harding estimate that in 2002 dollars it costs the average Australian couple \$448,000 to raise two children to their 21st birthday, representing 23 per cent of the \$2million earned by an average couple in this time.⁸ The research findings also noted that the cost of raising children was felt hardest by low income families.

7 Working Women's Centre of South Australia, sub 74, p 2.

8 Percival R and Harding A, 'The Costs of Children in Australia Today', *AMP-NATSEM Income and Wealth Report* (2002), issue 3, pp 6-7, viewed at <http://www.natsem.canberra.edu.au/publication.jsp?titleID=CP0301> on 21 August 2006.

While the committee has acknowledged that the birth rate in Australia is affected by the lack of financial security of young people, it has failed to offer meaningful solutions as to how this could be improved.

For this reason, Labor members of the committee are opposed to taxpayers funding an 'information campaign' about the dangers of late partnering. There is no evidence that this is not already known in the community; it would cause alarm amongst some young people who want to find a partner but have not yet; and could offend many young men and women who will find it not only obvious but offensive.

Instead, the Government should directly tackle the reasons why young couples delay starting a family, most notably the rising burden of HECS debts, poor housing affordability and rising interest rates.

HECS repayments in particular place a great strain on young Australian couples.

Recommendation 9 (WorkChoices) - Disagree

The Australian Labor Party strongly disagrees with recommendation nine.

A public campaign attached to WorkChoices will not alleviate the devastating impact the laws will continue to bring to working Australian families.

Labor has argued since the introduction of the laws for their abolition, and that position stands.

The increase in the number of Australian Workplace Agreements (AWAs) and changes to unfair dismissal provisions severely inhibit a better balance between work and family.

Professor Barbara Pocock told the committee:

Individual agreements, if we look at the data on them, are incontrovertibly less family friendly in terms of their access to annual leave, long service leave and sick leave – the fundamentals for working carers. Something like 12 per cent of AWAs between 1995 and 2000 had any work and family provisions, and a very small proportion in 2002-03 had family or carers leave – way less than in collective agreements. Only eight per cent had paid maternity leave and five per cent had paid parental leave. All of that data suggests that AWAs are family unfriendly.^{9 10}

⁹ Pocock B, transcript, 24 May 2006, p 12.

The Australian Labor Party believes these findings are absolutely alarming.

Labor's own Industrial Relations Taskforce found that there was no evidence to suggest that paid maternity leave was likely to increase under the WorkChoices legislation.

Recommendation 10 (flexible working) – Partly Agree

The Labor members of the committee believe recommendation ten of the committee report, stipulating that 'right to request' flexible work legislation in countries such as the United Kingdom be monitored, does not go far enough.

Labor members of the committee believe that similar legislation should be created to protect and support Australian parents.

Australian labour law should address the process by which an individual can negotiate the change from a full time job to part time hours. Australian workers currently have no right to request a conversion to part-time work, or to have it seriously considered by their employer. This is unacceptable in a modern economy and a country that wants to encourage a higher birth rate.

Labor members of the committee believe that employers should be obliged to give reasonable consideration to a request from an employee with caring responsibilities for part-time work, and have the right to refuse only if acceding to the request would be detrimental to the business.

There is considerable evidence to demonstrate the success of 'right to request' laws in facilitating more flexible working and caring arrangements, particularly in the United Kingdom.

The Australian Council of Trade Unions informed the committee of the success of 'right to request' legislation in the United Kingdom.

Drawing on data from the Lovell's 2003 CIPD report *A parent's right to ask – a review of flexible working arrangements* the Australian Council of Trade Unions found that the 'right to request' legislation in the United Kingdom has had a largely positive impact on had a positive effect on employee attitudes and morale, and provided few problems for businesses in complying with the legislation.¹¹

The following argument was put forth by the Australian Council of Trade Unions in support of similar legislation in Australia:

10 Pocock B, transcript, 24 May 2006, p 12.

11 Australian Council of Trade Unions, sub 104, pp 56-57.

There was an interesting analysis of how the requests are handled in business. One of the concerns employers have expressed is that it has increased red tape. In fact, the majority of the requests were handled verbally and the verbal request were more likely to be agreed to, so it is handled quite informally, but the UK assessment is that there has been a cultural change that the regulation encourages employers to take requests seriously and also encourages employers to make the request, confident that they can do that. There has been very limited impact on business...¹²

Other witnesses gave evidence that the right to request provision would not be onerous for employers.¹³

The Labor members of the committee urge the Australian Government to take immediate steps to introduce 'right to request' legislation. Specifically, the Government should legislate for the right to request comparable part time work for parents returning from parental leave.

Labor members recommend any disagreements about a refusal to provide part time work be resolved by the Industrial Relations Commission, depending on the size and nature of the employer.

The Australian Government should consider the model put forward by the United Kingdom when considering its own 'right to request' legislation.

Labor members believe that 'right to request' legislation in Australia would provide families with greater flexibility in managing their family and caring responsibilities, and should be endorsed in the committee report.

Recommendation 12 - extending subsidies and tax concessions to parents who use nannies

Labor members reject this proposal.

Instead, the existing in-home child care program, where parents get both Child Care Benefit and the Child Care Tax Rebate, should be expanded.

This would be much fairer.

The in-home care program is for parents whose children can't attend other child care because it is unavailable or unsuitable, for example because parents do shiftwork at night, or live or work in remote locations, or have children with significant disabilities who cannot be cared for in child care centres.

12 Bowtell C, transcript, 3 August 2006, pp 4-5.

13 Pocock B, transcript, 24 May 2006, p 10.

Parents using the in home care program are eligible for both CCB and CCTR. Unfortunately, as this program is capped by the Federal Government, needy parents on modest incomes who have a genuine need for assistance at home often miss out.

Where the needs of the children or the parents dictate that children cannot be cared for other than by in-home care, taxpayer subsidies are necessary and should be more widely available.

Taxpayer subsidies should not be available simply because parents would prefer the convenience of a nanny to other types of care.

For example, if high paid parents want a nanny to be waiting in the afternoon when their 14 and 16 year old children arrive home from school to cook dinner and supervise homework - should this be subsidised by other parents who can't even afford long day care for their three year old?

Should a taxpayer subsidy be available if the nanny is also acting as a housekeeper and doing housework? We don't think so.

Rather than have the taxes of middle Australia pay for the private choices of high-earning couples, the in-home care program should be expanded so that all families who need in-home care get it.

Labor recognises that in-home care is genuinely needed by many families and should be expanded, however, scarce taxpayers' dollars have to be directed first to where they are needed most.

Parents should have to prove a need for in-home care, rather than an automatic assumption be made that anyone who hires a nanny/housekeeper will have that choice subsidised by taxpayers.

In a society where thousands of parents with disabled children cannot get any child care at all, taxpayer subsidies for nannies is simply unjustifiable.

Recommendation 16 - fringe benefit tax reform

Labor announced a fringe benefit tax reform package months ago. The Liberal members of the committee are just playing catch up on this, while the Government continues to sit on its hands.

Suggestions from the business community for fringe benefit tax law on childcare to be overhauled must be taken up.

The current law is a farce, effectively benefiting only public servants and employees of very large companies. Labor members of the committee thoroughly endorse the findings of the majority that:

Evidence received by the committee indicates that the business premises limitation is distorting the intended outcome of the exemption and imposing penalties on those whom it was designed to benefit (paragraph 7.40).

This is the fault of the Government.

The Howard Government could abolish the business premises rule tomorrow if it wished to - the Government knows that it operates to cut off employer child care assistance from millions of Australians.

For example:

- An employer with a chemical factory cannot have on-site child care;
- A small suburban supermarket cannot afford to set up an on-site child care centre for its employees.

The law is unduly restrictive and outdated. It does not take into account the needs of small and medium sized business.

Employer child care policy in this country is a shambles. Labor members point to the Opposition policy announced in July - to abolish the business premises rule, and reward good employers.

Under Labor's policy alternative, employers will be eligible for tax breaks where they expand the supply of approved child care places, and/or substantially improve the quality of existing approved care used by their employees.

Labor will also extend eligibility for employer tax breaks from the current limit of assisting with child care for children under 6, to children up to 15.

This means employers could help employees with outside school hours care as well as innovative care for 13- to 15-year olds, without paying a heavy tax penalty.

Under Labor's proposal, the following child care investments by employees, which are currently not possible under fringe benefits tax law, will become possible:

- after-hours centre jointly financed by employers at a shopping mall;
- vacation care program run by the YMCA, funded by local employers;

- contribution towards start-up and/or recurrent costs of a family day carer, paid for by various employers, near a train station or school;
- renovation of a school hall in a regional town, so that an after school service can be set up and licensing standards met.

Recommendations 17 and 18 - enable child care to be tax deductible

Labor members, like the Prime Minister and the Treasurer, are opposed to making child care tax deductible, because it is regressive and will only benefit high-earning taxpayers.

This is the clear conclusion of the economic consultants commissioned by the committee, who found:

...two main effects. First, those parents in low income brackets... will decrease their working hours...Second, those parents in high income brackets... will increase their working hours (p vi, Econtech report).

In other words, high-income earners will have tax incentives to earn more and to use more child care, while those on lower incomes will have disincentives to work, and cut back their hours.

This is a perverse outcome that should not be supported by the taxpayer.

Any tax change that results in reduced labour supply by a large section of the taxpaying community is a bad outcome.

Econtech found that, even under the model preferred by Liberal members of the Committee, the only winners from tax deductible child care are those who pay more than 30 cents tax in the dollar (currently, those earning more than \$75,000).

And while this will cost the budget an extra \$218 or \$262 million (depending on the model) annually, there will be virtually no increased workforce participation (the income tax that is forecast to flow from allowing childcare as a tax deduction is a miniscule \$1 million per year).

Damningly, Econtech finds that:

the main reason for this cost increase is the extension of the childcare subsidy to couple families with only one parent working (p 21).

In other words, the real winners under tax deductible child care are families that don't need child care - those where a parent stays at home to look after the children. For these families, the breadwinner can reduce his or her tax bill by using child care, even though child care for that family is not necessary.

From the taxpayer's perspective, this is a ludicrous proposal. For this reason, Labor cannot support it.

Ironically, despite Econtech being instructed by the Chair not to look at the 'behavioural and distributive effects' of allowing child care to be tax deductible, the following findings were unavoidable:

Econtech estimated that the effect of the new arrangements [the Chair's proposal] on income tax collected would be an increase in revenue of \$1.0 million per annum due to the changes in labour supply [ie, virtually none]. This means that the cost of the new arrangements to the government is \$499.2 million per year [ie, tax savings by people already in the workforce].

This speaks for itself.

Tax deductible child care will not lift women's workforce participation, it will just allow existing taxpayers on higher incomes to pay less tax.

It therefore is not a solution to the unaffordability of child care, or to increasing the labour participation of women in Australia.

Other comments

Housing Affordability

Rising housing costs means it takes young Australians longer to get ahead and thus longer to start their families.

In 2006, housing affordability is at its worst ever.

According to the Women's Action Alliance, drawing on a report by the National Centre for Social and Economic Modelling:

... in 1998 first home buyers paid an average of 30 per cent of disposable income on mortgage repayments but this had spiralled to 39 per cent in 2004. The study found all home borrowers paid an average of 27 per cent of disposable income on their mortgage repayments, compared with 26 per

cent in 1996. The researchers had found that 883,000 families and singles were suffering housing stress. Those considered in housing stress spend more than 30 per cent of disposable income on housing and are in the bottom 40 per cent of income earners.¹⁴

The committee was advised by the Australian Housing and Urban Research Institute that during the twentieth century, the long run historical average is that an average house costs six times the average annual income. In cities such as Sydney, this has now sky rocketed to nine times.¹⁵

As the committee report notes, owning a house is now a precursor to starting a family for many Australians. The logical impact of this desire is that when housing affordability falls, couples are likely to take longer to buy a house and thus longer to start a family.

The Australian Housing and Urban Research Institute informed the committee that:

The strongest aspiration for home ownership is found amongst those who intend to have children. Those who intend to have children are seven times more likely to aspire to home ownership.¹⁶

An online survey conducted by the Daily Telegraph found that of the respondents, 63% reported a delay in starting a family because of increased house prices.¹⁷

Despite the Government's promise to keep interest rates low, there have been eight interest rate rises.

A paper released by the Property Council of Australia on 21 November 2006, 'Improving housing affordability in NSW: A plan for industry and Government', revealed that housing affordability is worse now in 2006 than it was under 17 per cent interest rates, and Sydney housing is more expensive than London or New York. Furthermore, at least 750,000 people nationally suffer housing stress (paying a third of their income on housing).¹⁸

Labor members find the housing affordability crisis deeply disturbing. Young couples feel they need to own a home before they start a family, and this is

14 Women's Action Alliance, sub 54, p 8.

15 Winter I, transcript, 10 April 2006, p 75.

16 Winter I, transcript, 10 April 2006, p 75.

17 Saurine A, 'Families Paying the Price' *Daily Telegraph*, 9 March 2006, p 17.

18 Perinotto T, 'Housing Shortage an Economic Threat', *Australian Financial Review*, 22 November 2006, p 53.

not an unreasonable expectation. Housing affordability has been an issue the Howard Government has failed to address for far too long.

Labor members believe that if the Government is going to encourage couples to have children earlier, it must address the issue of housing affordability so that this becomes a realistic possibility.

Welfare changes

Labor members note the devastating impact of the welfare changes are already having on families, and in particular single mothers.

Labor supports workforce participation, and believes any one who can work should, however we also believe that we should care for those who can not.

The Government has shown with these changes how out of touch it is with the many sole parents who want to work but struggle to balance paid work with their parenting responsibilities.

Under Welfare to Work, a parent has to look for work when their youngest child turns six, and is dumped onto the dole when their youngest child turns eight. On the dole they will be over \$55 a fortnight worse off than if they were on the Single Parenting Payment.

Labor finds the impact of Welfare to Work on sole parents deeply concerning.

Labor recognises that for many disadvantaged job seekers, removal of barriers such as access to affordable quality child care and quality training and skills development are equally important measures needed to assist the unemployed find work.

Labor is committed to removing the barriers facing many of the long-term unemployed, especially sole parents, mature aged, the disabled and indigenous job seekers and providing incentives in the transition from welfare into work.

Maternity Leave

The committee report has failed to recommend improvements to Australia's current legislated provisions for maternity and parental leave.

Greater unpaid parental leave and state funded maternity leave are two important ways to facilitate a better work family balance.

The Labor members note that Australia and the United States are the only two OECD countries that do not have a national paid maternity leave scheme. Australia should aim to meet OECD standards on paid maternity leave.

Professor Barbara Pocock told the committee:

I feel, and I think the literature suggests, that lumpy policies – policies that create barriers between transitions like high effective marginal tax rates or the lack of, for example, paid maternity leave – are very problematic. They impede transitions rather than facilitate them.¹⁹

The Labor members concur with Professor Pocock that a lack of adequate paid and unpaid maternity leave impedes transitions between jobs, care and work.

In regards to paid maternity leave, Professor Pocock stated:

It is quite hypocritical to make the implication that parental care is essential to babies but not to facilitate it. I think Australia has the resources. It is a rich country. It should be offering 12 months of paid carers leave to all its citizens who are workers. As I said in my first principle, this is not something that will just have meaning for working mothers; it will have meaning for the growing proportion of Australians who will find themselves caring for an aged parent or partner.²⁰

Labor members support Professor Pocock's view that paid carers leave is both important and feasible.

Labor members advocate a fourteen week state funded paid maternity leave scheme as we believe paid maternity leave is both economically and socially responsible.

If maternity leave was funded by the state it would alleviate the potential costs to small businesses.

Labor supports an extension of the current provisions for unpaid maternity leave from one to two years. This would enable mothers to spend more quality time with their children in the early years, which we believe is important not only for families but for the community at large.

19 Pocock B, transcript, 24 May 2006, p 2.

20 Pocock B, transcript, 24 May 2006, p 3.