

# The Politics of Parental Leave in Australia

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**Marian Baird**

Women♀Work Research Group

University of Sydney

[m.baird@econ.usyd.edu.au](mailto:m.baird@econ.usyd.edu.au)

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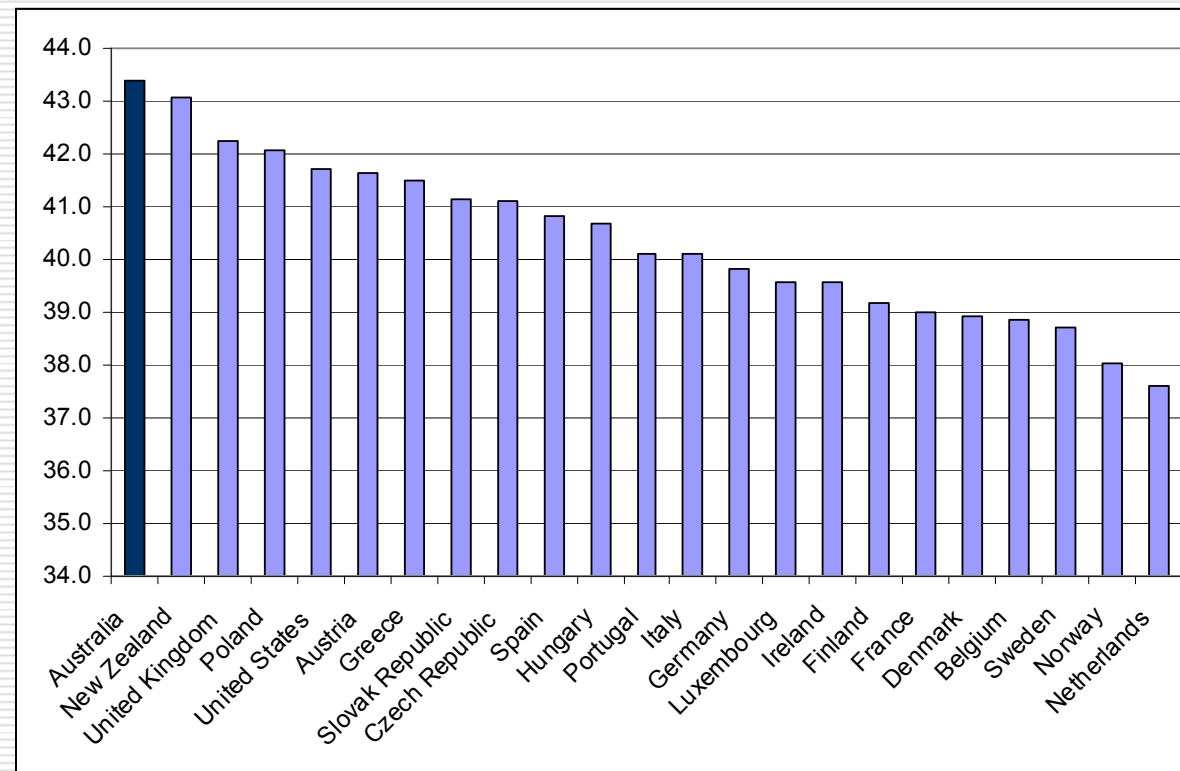
# A New Government

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- New Federal Government
  - Labor Party
    - Prime Minister Kevin Rudd;
    - Deputy Prime Minister Julia Gillard
  - Elected November 2007
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# Employees' average full-time weekly hours usually worked by OECD countries, 2006

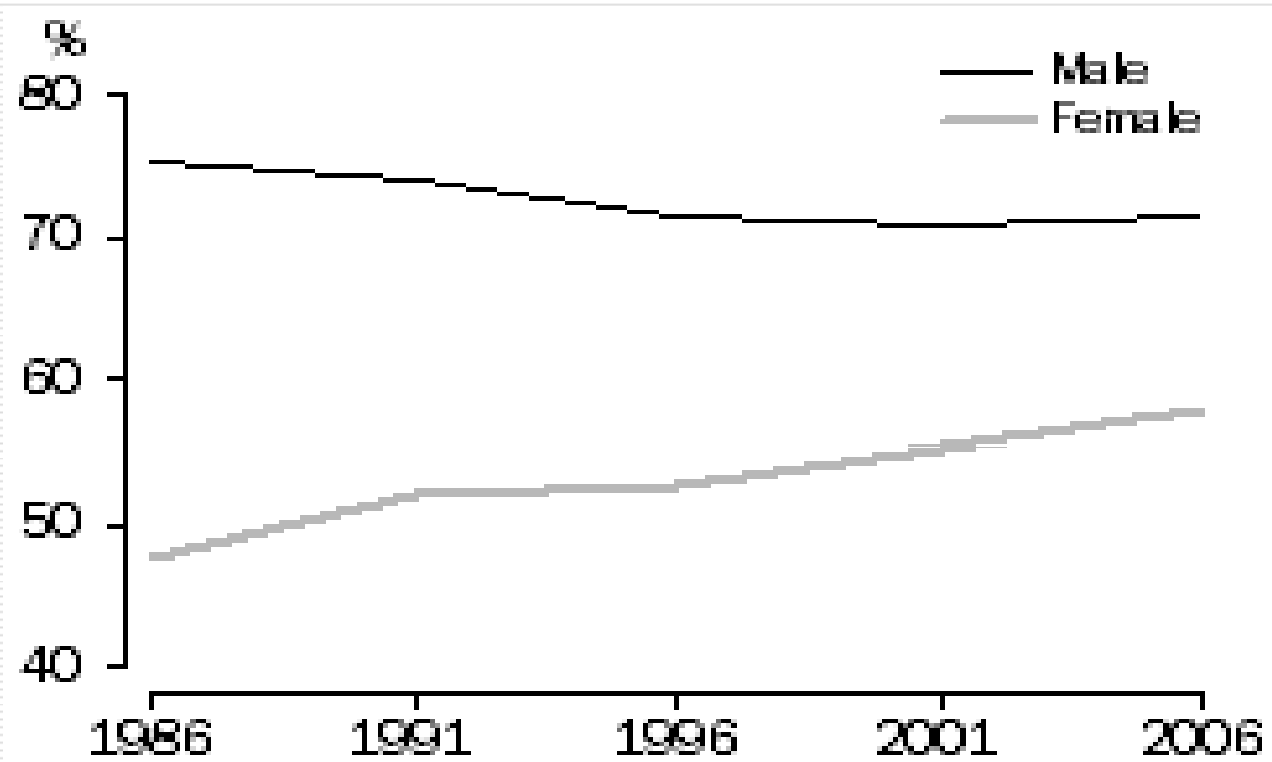
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# Labour Force Participation

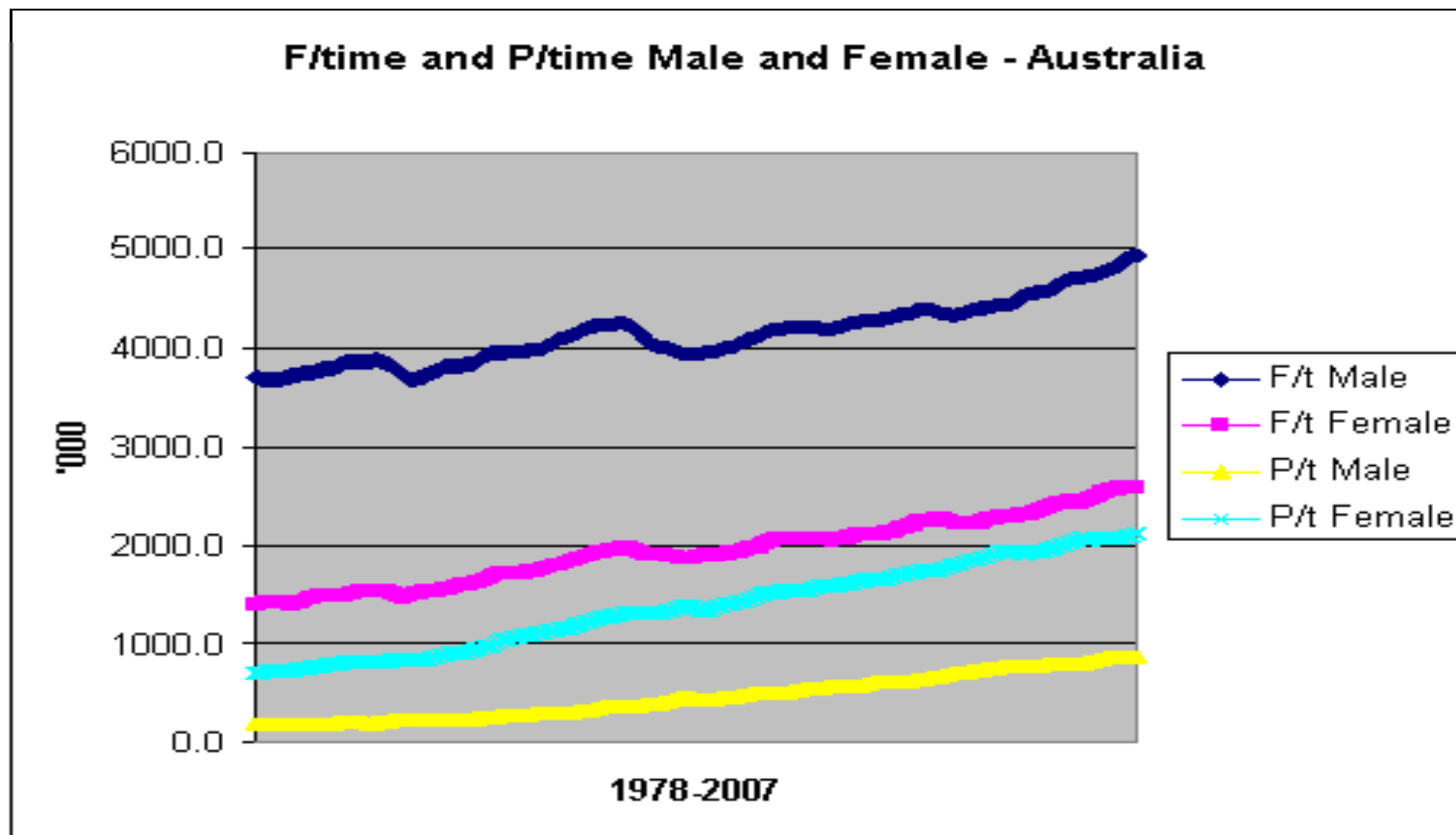
(a) For people aged 15 years and over •

Source: ABS 1986-2006 Censuses of Population and Housing, Social Trends 2008



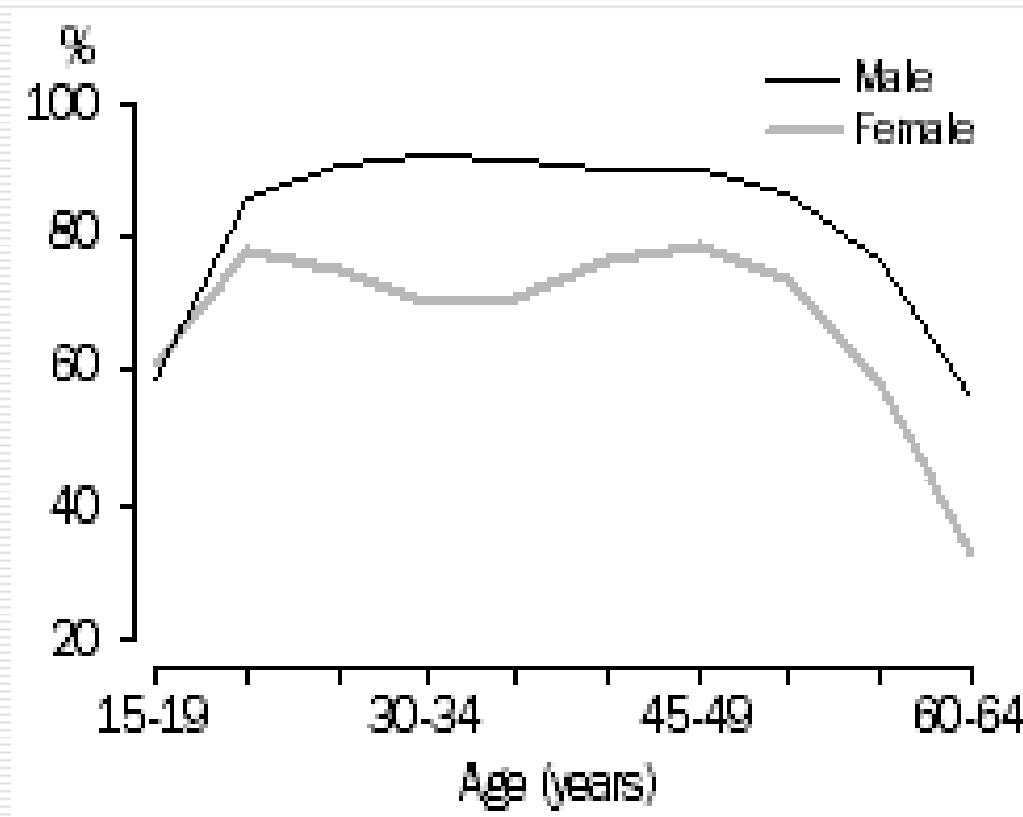
# Workforce Participation

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# LABOUR FORCE PARTICIPATION RATES OF MEN AND WOMEN BY AGE - 2006

Source: ABS 2006 Census of Population and Housing.



# Paid Parental Leave in Australia Now - A hybrid system

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- ❑ Legislation – only for Public service employees of the Commonwealth and States - Paid Mat Leave of 12 or 14 weeks
  - ❑ Enterprise (collective) bargaining in addition – developing industry patterns
  - ❑ Company policies also in addition– HRM and management discretion
  - ❑ A Baby Bonus = approx 9.5 weeks at minimum wages
  - ❑ But approx. 2/3 women have no access to paid mat leave →
  - ❑ Productivity Commission Inquiry
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# New Government – New Employment Standards

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- From January 2010
  - Employee couple will have 24 months
    - Partner has right to 52 weeks; or
    - primary carer has a new right to request 52 week extension;
      - employer can refuse on 'reasonable business grounds'.
  - A new right to request change in working arrangements until child of school age;
    - employer can refuse on 'reasonable business grounds'.
  - No paid parental leave.
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# Policy in gestation? 2008

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The Productivity Commission:

- 'an inquiry into **paid maternity, paternity and parental leave**'.
  - Emphasis on economic, productivity and social costs and benefits.
  - Assess models for impact on employment of women, earnings and workforce participation of parents.
  - Timeline:
    - Issues paper 8 April
    - Public Hearings May and submissions
    - Draft report 29 September
    - Public hearings November
    - Final report to government by Feb 2009
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# Productivity Commission – Draft Recommendations

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- ❑ 18 weeks
  - ❑ + 2 weeks designated paid paternity leave
  - ❑ Paid by government
  - ❑ At federal minimum wage (\$543.78)
  - ❑ Employer to pay superannuation
  - ❑ To all working women with av. 10 hours work over previous year
  - ❑ At home mothers to get baby bonus (\$5,000)
  - ❑ <http://www.pc.gov.au/>
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# Prospects?

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- Further consultations
  - Final report from Productivity Commission to Government Feb 2009
  - Government to decide
  - Positive words from PM – 'time has come'
  - BUT ... final policy still unclear!
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