

# Maternity/parental leave duration in Australia – perspectives on optimality



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# Leave policy options and constraints in lead up to the 2007 federal election

- Application of decisions from the 2005 Family Provisions test case held before the federal industrial tribunal? The decision included:
  - Extension of unpaid parental leave entitlement from 1 to 2 years
  - Right to request part-time work on return from leave until child reaches school age
- Government funded paid maternity leave?
  - Current system is a 'Maternity Payment' to all new mothers, to reach a value of \$5000 in mid-2008

# What is the question about optimal duration of maternity/parental leave?

1. Health and well-being of mothers and children
2. Family formation and functionality
3. Effective resourcing of businesses/ employers' needs
4. Women's labour force attachment and career progression (and thus gender equity in paid employment)
5. Gender equity in the household

To what extent can these different concerns be balanced?

Focus of this research is primarily on (4), but with concerns about how much 'optimality' on this dimension conflicts with, or coincides with, optimality on other dimensions.

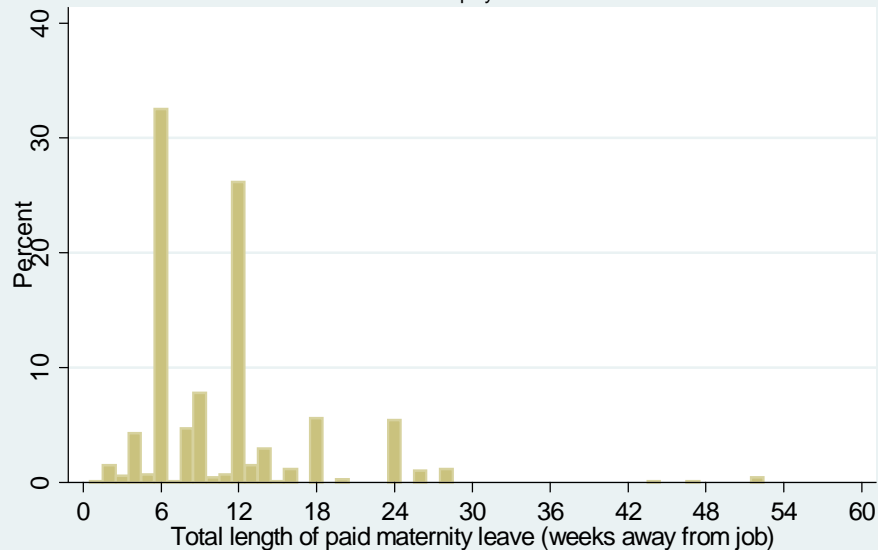
What can be determined about these issues from leave users' experiences and perceptions?

# Data source & acknowledgements

- Research for this paper draws on data from The Parental Leave in Australia Survey, which was distributed to the Infant Cohort of the Longitudinal Study of Australian Children (LSAC) in 2005. The Infant Cohort is a random sample of infants born between March 2003 and February 2004 which in effect provides a sample of their parents/families.
- The cohort includes 5107 families recruited from a sampling frame provided by Medicare Australia. The initial response rate in recruiting this cohort was 64% (all tables in this presentation are weighted to account for non-response bias).
- The response rate to The Parental Leave in Australia survey was 70%. The dataset has information 3568 families, most of which are couple families with valid responses on the employment patterns and leave usage of mothers and fathers.
- Funding for the survey was provided by the Australian Research Council (ARC), through a project involving five industry partners. The academic team members included Gillian Whitehouse and Chris Diamond (University of Queensland) and Marian Baird (University of Sydney)
- The survey could not have been conducted without LSAC, which was initiated and is funded by the Australian Government through the Department of Families, Community Services and Indigenous Affairs (FaCSIA) and is being conducted in conjunction with the Australian Institute of Family Studies (AIFS) and a consortium of research agencies and universities.
- None of these organisations is responsible for the use of data in this presentation.
- The dataset from the survey has been publicly released and is available to researchers for a nominal fee. Further information can be found on The Parental Leave in Australia website: <http://www.uq.edu.au/polsis/parental-leave>

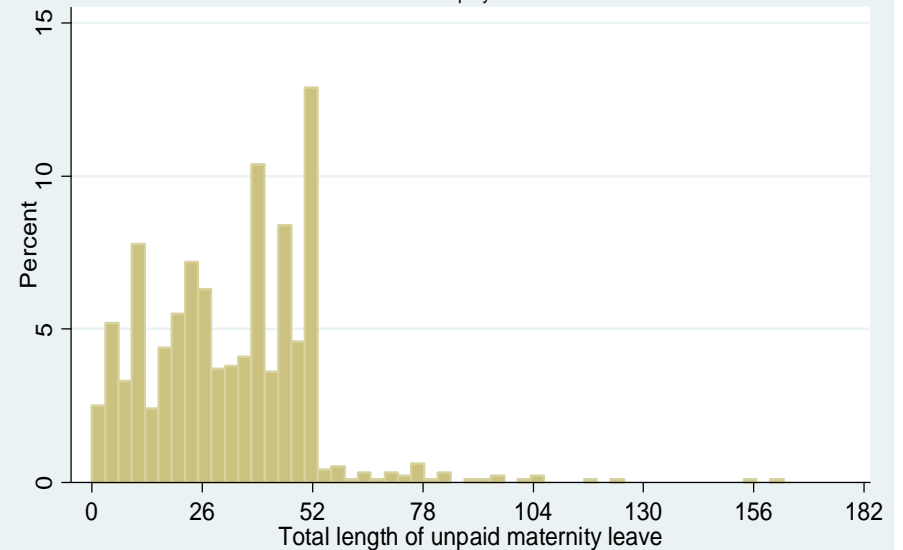
# Duration of maternity/parental leave usage in Australia

Total length of paid maternity leave taken by mothers around the birth of the study child  
Mothers who work for an employer before and after the birth



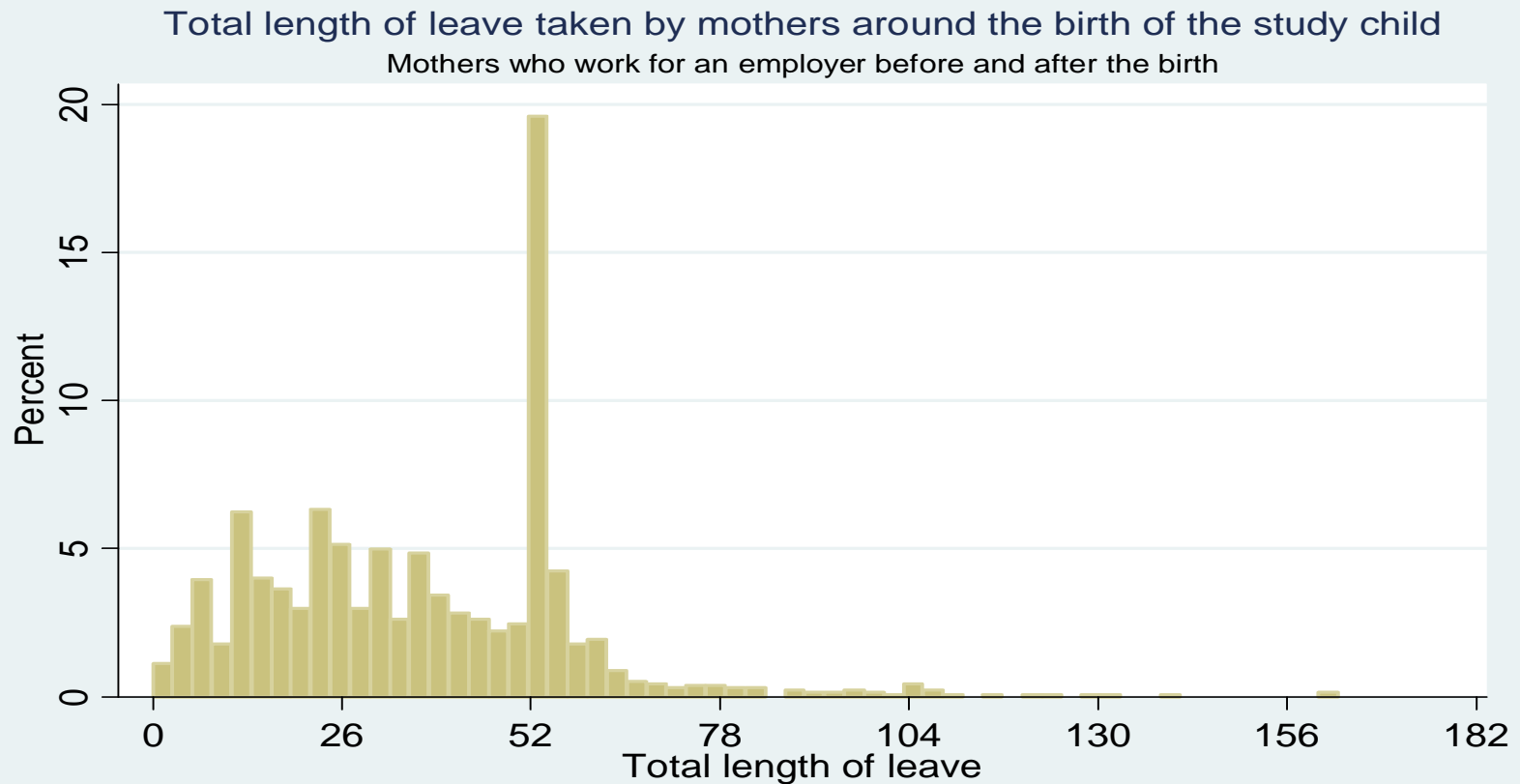
NOTE: The sample excludes mothers who take no paid maternity leave.  
Source: LSAC wave 1.5

Total length of unpaid maternity leave taken by mothers around the birth of the study child  
Mothers who work for an employer before and after the birth



NOTE: The sample excludes mothers who take no unpaid maternity leave.  
Source: LSAC wave 1.5

# Total duration of leave usage for parental purposes in Australia



NOTE: The sample excludes mothers who take no leave.

Source: LSAC wave 1.5

# Perspectives on optimality: (i) satisfaction with leave duration

<b>Duration of leave</b>	<b>All employees who take leave and have returned to work for employer (%)</b>
I would have taken longer leave if I had some/more PAID maternity leave	47
I would have taken longer leave if I had some/more UNPAID maternity leave	8
I returned to work earlier than I would have liked because I was worried about my job	9
I returned to work earlier than I wanted to because I/we needed the money	46
Maintaining household income was difficult while I was on leave	40
My leave was too short to establish breastfeeding	2
<i>N</i>	<i>1239</i>

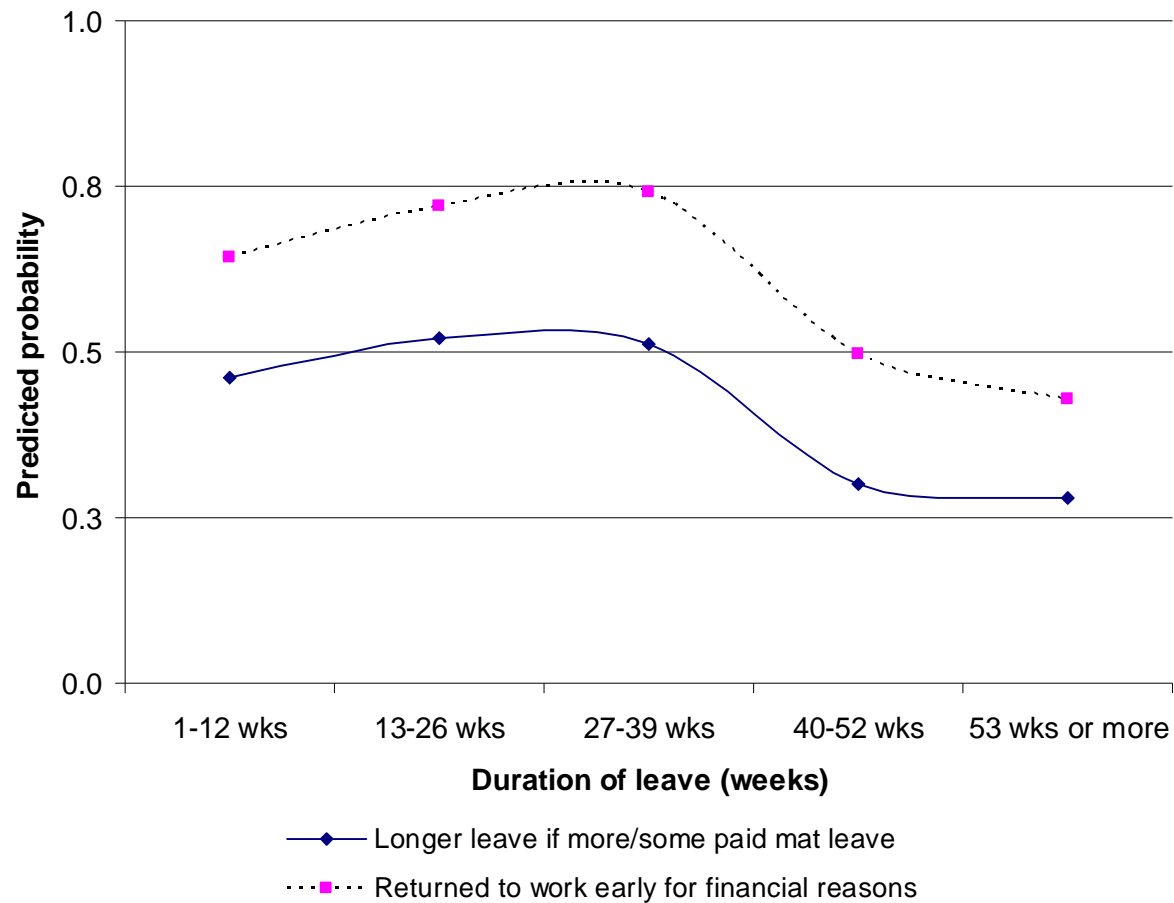
# Influences on responses to 'satisfaction' questions (based on logistic regression results)

- Those who took 39 weeks ( $\approx$ 9 months) or less were more likely than those who took 40-52 weeks (9-12 months) to respond that they would have taken longer if they'd had paid maternity leave or that they did return earlier than then wanted for financial reasons, but those who took >52 weeks were not significantly different
- These kinds of dissatisfaction were more likely among respondents who had experienced problems getting information about maternity leave arrangements or who experienced other problems in their workplaces prior to the birth
- These kinds of dissatisfaction were less likely among respondents with a spouse earning \$1000 or more per week

[Controls in regression analysis include: part-time and casual employment status, public sector, hourly wage, occupation, education, partner employment status, partner weekly wage, single mother, mother's age, first child]



# Predicted probability for responding that a longer leave would have been taken if mother had access to some/more paid maternity leave and for returning early for financial reasons, by duration of leave



# Perspectives on optimality: (ii) career opportunities on return to work

<b>All employees who return to work for an employer</b>			
	<b>Career opportunities</b>		
	<b>Better</b>	<b>About the same</b>	<b>Worse</b>
<b>No leave</b>	18	62	20
<b>Some leave</b>	7	66	27
<b>Duration of leave</b>			
1-12 weeks	4	71	25
13-26 weeks	7	69	24
27-39 weeks	10	71	19
40-52 weeks	6	59	34
More than 52 weeks	6	67	28

# Influences on responses to 'career opportunities' questions (based on bi-nomial logistic regression results)

- Those who took 27-39 weeks (6-9 months) were more likely than those who took 40-52 weeks (9-12 months) to think their career opportunities were better, and less likely to think that they were worse.
- Those who changed from full-time to part-time status on return from leave were significantly less likely to think their career opportunities were better, and more likely to think they were worse.
- There was a non-linear relationship with changing jobs on return from leave: this was associated with significantly better perceived career opportunities for some, and significantly worse for others.

[Controls in regression analysis include: change in part-time and casual employment status on return to work, change in employer or job on return to work, hourly wage, occupation, education, single mother, mother's age, first child]



## Conflicting evidence on optimality?

- While different perceptions of optimality are to be expected depending on the question (in this case, whether mothers felt they had returned too early due to lack of appropriate leave or because of financial constraints, or whether they felt their career opportunities had improved or declined on return to work) the analysis did not show that mothers simply want unlimited paid leave or that career opportunities were affected by leave duration in a linear fashion.
- However, while those taking a 40-52 week (9-12 month) leave period were least likely to feel they had returned earlier than they wanted, this leave period was most likely to be associated with perceptions of declined career opportunities on return to work. (Results for perceptions of career opportunities may reflect, among other factors, unmeasured differences in career plans and attachment.)