The Politics of Parental Leave in Australia

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A New Government

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

(a) For people aged 15 years and over

Workforce Participation

F/time and P/time Male and Female - Australia

1978-2007
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

- 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
New Government – New Employment Standards

- 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.
Policy in gestation? 2008

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
Productivity Commission – Draft Recommendations

- 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)
Prospects?

- 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!