



Catholic Social Services
Australia



AUSTRALIAN CATHOLIC COUNCIL FOR EMPLOYMENT RELATIONS

Productivity Commission
*Public Inquiry into Paid Maternity, Paternity and
Parental Leave*

Public Hearing

Canberra
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OPENING STATEMENT

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Executive Director

On behalf of Catholic Social Services Australia and the Australian Catholic Council for Employment Relations, I would like to thank the Productivity Commission for the opportunity to appear today.

Catholic Social Services Australia is the Catholic Church's national peak body for social services and represents 64 member organisations.

The Australian Catholic Council for Employment Relations (ACCER) was established by the Australian Catholic Bishops' Conference and is supported by Catholic Religious Australia. As part of its mandate it develops national policies and guidelines that relate to work and the employment relationship.

Announcing the inaugural members of the Social Inclusion Board on 21 May 2008, the Prime Minister and Deputy Prime Minister jointly stated that:

Every Australian should have an opportunity to be a full participant in the life of the Nation. Unfortunately, too many Australians remain locked out of the benefits of work, education, community engagement and access to basic services.

This social exclusion is a significant barrier to sustained prosperity and restricts Australia's future economic growth.

Promoting social inclusion requires a new way of governing. Australia must rethink how policy and programs across portfolios and levels of Government can work together to combat economic and social disadvantage.

We share the Commonwealth Government's commitment to social inclusion, which reflects long-standing Catholic Social Teaching principles concerning human dignity, a preferential option for the poor, and the importance of ensuring that each person is able to enjoy full participation in society.

For individuals and families, "social inclusion" has no meaning if the most marginalised employees or would-be employees are impeded from forming or adding to families by inadequate societal recognition of the value of childrearing.

Paid parental leave provides one important means of facilitating opportunities for all Australians to enjoy parenthood, and for this reason alone a paid parental leave scheme deserves support.

Catholic Social Teaching which espouses that society has a role in fostering the formation and development of a family. We believe that this view is shared by the broader community.

As expressed by Pope John Paul II:

just as the intimate connection between the family and society demands that the family be open to and participate in society and its development, so also it requires that society should

never fail in its fundamental task of respecting and fostering the family.

and:

In the conviction that the good of the family is an indispensable and essential value of the civil community, the public authorities must do everything possible to ensure that families have all those aids - economic, social, educational, political and cultural assistance - that they need in order to face all their responsibilities in a human way.¹

Our submission focuses on the needs of the family, the common good associated with ensuring the welfare of the next generation, the disadvantage experienced by women in balancing the responsibilities of work and family, the need to overcome financial obstacles to family formation, and the need to ensure that women's roles in childbearing do not adversely impact on their capacity to enjoy full participation in the paid workforce.

In our submission, the term "maternity leave" includes adoption leave in situations where the employee, whether male or female, is the primary carer of a newly adopted child aged under the age of five.

We also support other forms of paid leave including paternity, grandparents' and foster parents' leave. While not wishing to make submissions on these forms of leave at this stage, we may do so at a later date.

Our submission explores a number of funding models, but strongly advocates a paid national maternity leave scheme, to be jointly funded by government and all employers. We do not support the notion of employee-funded contributions.

You have our submission before you but I would like to briefly reiterate the key principles we believe should be adopted as a minimum.

These include a scheme that pays the lesser of ordinary time earnings or average weekly earnings for a minimum of 14 weeks, but ideally 26 weeks to full-time, part-time, permanent and casual employees and self-employed people who have worked in the paid workforce for a stipulated qualifying period.

The scheme should be jointly funded by government and employers, in recognition of the significance of paid parental leave as both an essential financial support for families and a crucial employment entitlement.

We suggest government contributions might be equal to the Federal Minimum Wage and the employer pool would fund the gap between the Federal Minimum Wage and the lesser of the employee's ordinary time earnings or average weekly earnings.

Employer contributions should collect in an "employer pool" of funds, which would ensure sectors with higher proportions of female employees are not disadvantaged. It would also avoid the risk of exacerbating workplace discrimination against women.

Small business and community sector employers should be protected from implementation, regulatory and transitional costs of the scheme.

The scheme's explicit objectives should redress existing inequalities between low-skilled, low-paid, part-time and casual employees and other employees and any inadvertent exacerbation of these inequalities must be avoided.

Finally we recommend a review of the scheme after two years. The review should focus on the adequacy of the scheme's leave payment amounts, leave duration, eligibility criteria and arrangements around the right to return to work. A more comprehensive review should take place after five years.

In our view, the additional financial flexibility provided by paid maternity leave combined with the prospects for increased workforce attachment make paid maternity leave a desirable development in enhancing women's participation and status in the paid workforce.

But paid maternity leave is currently unavailable to over 50 per cent of working women.

We believe the Government has a social responsibility to provide financial assistance to families, acknowledging the importance of the family within Australian society.

We have a collective responsibility to ensure the welfare of the next generation, paying particular attention to the needs of disadvantaged and low-paid employees.

There is a need to help both women and men to manage their work and parental responsibilities so that the needs of children and families are met in the context of modern Australian society.

Thank you
I am happy to take questions.