



Paid Parental Leave Bill 2010

House of Representatives

31 May 2010

Sharon Grierson MP

Sharon Grierson (Newcastle) (6:23 PM) —I am very pleased and very proud to rise to speak in support of the Paid Parental Leave Bill 2010 and the related bill. For me, this is legislation that represents all of the good things that Labor governments always strive for: empowering everyone in their communities, empowering women. This is also the sort of legislation that occurs when women represent women. I am very proud of the women on this side of the House. I congratulate Minister Macklin. It is good to have people who understand the importance of paid parental leave in this country and the importance of that leave to women. I am a woman who has been in the workforce for almost four decades. This should never have taken this long. It has been overdue for so long. We thought that the 1970s were the enlightened era, yet this has taken until now. It is about time. This is historic legislation. It is legislation that families and women in Australia will cherish forever. They should mark the passing of it in their calendars as a special date to celebrate.

It is to the shame of the previous government that we are only one of two OECD countries that have not already introduced a paid parental leave scheme. Finally, with this legislation, we will catch up to the rest of the world. It is truly astounding. Traditionally, only half of Australian women had access to paid parental leave. It is absolutely undeniable that the women who have had access to paid parental leave are generally public servants working for governments and people in higher paid professional positions. That is certainly not fair. This Labor government cares about equity, fairness and opportunity for everyone. This legislation addresses that inequity and makes sure that all Australian women who work have access to paid parental leave. With the safe passage of these bills through the House, it is expected that almost 150,000 families across Australia will benefit.

The Rudd government staged its seventh community cabinet in the Hunter on 27 September 2008 and on that same day the Productivity Commission report was handed down. After congratulating the staff of the John Hunter Hospital, our big regional hospital, for their care, the Prime Minister—with Jenny Macklin, the Deputy Prime Minister and the Treasurer all there—made this statement:

Having just visited the midwives and looked at some of the outreach work that they do, it's quite plain that one of the essential services they provide is this combination of pre-natal care and post-natal care. Post natal visits out to new mums, to make sure that mum and bub are doing well.

In fact we met a new bub today, his name is Carson who now shares a birthday with the Deputy Prime Minister, Happy Birthday Julia. Carson is 5 hours old, Julia is just a little bit older than that.

But this brings us to the whole question of part of the challenge for the future which is the future needs of the Australian economy. The Australian economy of the future will have stay at home mums who we'll be supporting with the baby bonus, but also mums in the paid workforce who we will also be supporting with paid maternity leave and it's time Australia bit the bullet on this.

It's going to be a challenge to make sure we get the exact policy settings right because we are in the midst of serious global economic challenges. But we are determined to get that balance right for the future.

We've had 12 years of neglect on this, it's time Australia bit the bullet on paid maternity leave, we intend to get on with the job and we will get the policy setting right once we work our way through the detail of this report.

Thank you, Prime Minister. As a women and a mother of two women, I was very proud that first commitment to paid parental leave was made in my electorate. I am proud to stand here and see it being delivered. We will get to the opposition's role in that later.

This legislation will support women to maintain their connection to the workforce and at the same time boost workforce participation. For the first time, casual and part-time workers, as well as contractors and the self-employed, will be eligible for paid parental leave. More importantly, it will ensure that new parents will have the financial security to take the time off work to give a newborn baby the attention that it needs and deserves. And we will see businesses benefiting from the retention of skilled female staff while not having to pay for that maternity leave. That is rather vital. It is an important difference between the opposition's policy and ours. When you push the burden of paying for parental leave onto business, you make women very undesirable as workers. That is never acceptable. It is a sensitivity that the opposition overlook. You cannot have business see the employment of women as a risk factor or as a burden in any way. That would be a detriment to the whole skill base of our nation and to the strength of our economy.

This scheme is the right one and it is the culmination of a long campaign to install Australia's first ever paid parental leave scheme. There are many individuals who have worked tirelessly to see it come to fruition, too many to name here. The legislation before the House is primarily based on recommendations from the Productivity Commission, which undertook an extensive inquiry to get the scheme right. As a result, we have come up with a fair, equitable and fully costed scheme that will benefit families and small business.

From 1 January 2011, new parents will be eligible for up to 18 weeks paid parental leave. This would consist of \$544 a week at this stage to take time off to care for their child, either a biological child or an adopted child. It will be available to parents who earn less than \$150,000 a year, live in Australia and meet residency requirements. They must have also worked roughly one day a week for at least 10

of the 13 months prior to the birth or adoption of their child. I think that provision is important recognition of the fact that women do like to stay in the workforce on a casual basis between having children and while raising their family.

The Rudd government will still cater for parents who cannot access the proposed scheme. Families who are not eligible or who choose not to participate will still be able to access the baby bonus and family tax benefits as long as they are eligible for those payments. It is estimated that 85 per cent of families will be better off under the scheme. On average, they will receive around \$2,000 more than if they choose the baby bonus alone.

This government funded paid parental leave can be taken in conjunction with or in addition to employer provided maternity and other leave. It is a really wonderful thing to think that if you have already got an entitlement to paid parental leave you can add that on to the beginning, the end or anywhere you like with our scheme. I hope the fact that parents are able to get two lots of paid parental leave will drive more employers into accepting they have a responsibility to their workforce and establishing a paid parental leave scheme in the workplace. It is something that can enhance what we are doing.

Parents will not be obliged to return to work once their 18 weeks of paid parental leave have concluded. Under the new National Employment Standards, new parents have a right to a full year of unpaid leave and the right to request another 12 months unpaid leave. The 18 weeks of paid parental leave can be taken at any time in the first year after the birth.

There are several amendments included in this bill. They go to the definition of income, the definitions and rules around social security and the payments, clarifying the integration of paid parental leave with family tax benefit payments. The amendments also serve to avoid breaches or deal with breaches of social security arrangements. That is the correct way.

This is a well-rounded scheme, one that is fully workable. It has garnered and enjoyed support from across the industry spectrum, from Sharan Burrow of the ACTU—and I praise Sharan for all her hard work and leadership in this area, and I wish her great success in her international appointment—to Heather Ridout, CEO of the Australian Industry Group, and Katie Lahey of the Business Council of Australia. It certainly has the support of women in the Rudd government and women in the community. It is wonderful to see women leading because, as I say, when women represent women, these are the outcomes.

If the Leader of the Opposition can be believed, even he now supports a paid parental leave scheme, although his plan for funding it seems ironic to this side of the House: the Liberals taxing big business to help families. It is a strange way for us to see them approaching this important policy area. Tony Abbott, the Leader of the Opposition, was quoted in the *Sydney Morning Herald* last week as telling his colleagues in a party room meeting:

“We have to demonstrate that we have moved on from the Howard era view that mothers should stay at home with their kids ...

Apparently Tony Abbott wants to move on from the Howard era. Who would have thought it? That is not exactly the way it looks to us. It looks like they are still stuck back in coalition policy behind that white picket fence where all sorts of abuses of human rights were secretly carried out. I think it is a wonderful, healthy thing to see a policy that empowers women and supports women. But it was Phoney Tony who in 2002 said that paid parental leave would happen over his dead body. We cannot escape the fact that the Liberals had 12 years to introduce paid parental leave and did nothing. That is shameful stuff.

Regardless of the Leader of the Opposition's flip-flopping position, we know that this is an important piece of legislation, something that our nation needs. I repeat that any scheme that pushes the burden of parental leave onto business can only have a detrimental effect on the employment of women. It perpetuates that myth that employing women is risky because they might get pregnant and leave you after you have invested all this money in their skill base. Well, no; with paid parental leave paid for by the people of a country through their taxes, through their government, we share that burden and we share the wealth that it creates.

As the Productivity Commission inquiry found, once a paid parental leave scheme is in place, it will be seen as a standard contract arrangement. The inquiry report, *Paid parental leave: support for parents with newborn children*, states:

The more that parental leave arrangements mimic those that exist as part of routine employment contracts, the more they will be seen by employers and employees as standard employment arrangements, with the dual effect of:

- promoting employment continuity and workplace retention (thus helping to preserve job and employer-specific skills that would be reduced if parents were to resign or move to another employer) and reducing training costs for employers
- signalling that a genuine capacity to take a reasonable period of leave from employment to look after children is just a normal part of working life.

And that is how it should be. The Productivity Commission report went on to say:

... there is compelling evidence of child and maternal health and welfare benefits from a period of absence from work for the primary carer of around six months ...

So what will it mean if that becomes part of the way that we do things? It will mean better relationships between women and their children. It will mean greater opportunities for breastfeeding of babies. It will mean, I would hope, over time, less postnatal depression among women and a reduction in the dreadful burdens and choices that women always have with the financial impost that comes when their income is suspended. This will have wonderful benefits for our women and our children. There is compelling evidence, I agree, of those benefits. There are sound rationales for stimulating women's labour force participation rates to overcome the disincentives imposed by the existing welfare and tax systems on that participation. It is what women do. It is what women want. Just like men, they want to be able to choose their careers and they want those careers to prosper, but in most cases they also very much want to raise families. The commission report also stated:

- PPL could advance broad social objectives, such as achieving greater gender equity and balance between paid work and family life.

These three points sum up the need for the Paid Parental Leave scheme for me. It will benefit families, it will benefit the workforce and it will progress us as a society. This is a good thing. I believe it is a fundamental characteristic of a socially inclusive society to have a paid parental leave scheme like the one we are debating here today.

It is the inalienable right of a woman to choose to have children; it is also the inalienable right of a woman to pursue a career. I look at many of my successful female colleagues in this parliament—frontbenchers, backbenchers, senators and those from the opposition—who juggle family commitments and the demands of new babies and see that they are often not extended the understanding that that is okay. This happens in every sector of the workforce. Women are contributing much to the workplace, to their families and to their community. They should be encouraged to do so and they should be supported to do so.

In this year's federal budget we spoke of further strengthening the national economy, of helping families and of securing real future growth. This is exactly what paid parental leave is about—preparing our nation for the future. It reflects our child centred approach to family policy, which is fundamentally about what is in the best interests of children. The scheme will deliver crucial benefits to us, both in the workforce and at home. It will encourage workforce participation and productivity, both now and into the future. Most importantly, it will help cement the bonds of countless numbers of families across Australia—the benefits of which are difficult to quantify but which we all know are vital to family happiness, family harmony and the strength of the social fabric that underpins the society we depend upon, we want to belong to and we are proud of. I absolutely welcome this legislation and commend these bills to the House.