

Conversations with the Experts

Parental Leave in Australia



Marian Baird

Bio: Dr. Marian Baird works at the University of Sydney, Australia and she was a visiting scholar at the MIT Workplace Center and the Institute for Work and Employment Relations in the summer/fall of 2003.

Her main research area is parental leave (maternity, paternity and adoption leave) in Australia. She is currently undertaking two major studies in Australia. The first is of the availability, incidence and duration of maternity, paternity and parental leave in Australia including a population survey, organizational case studies and household interviews. The second is examining the 'dual agenda' of gender equity and organizational effectiveness in two large Australian organizations, one in the private sector and one in the public sector.

Baird teaches at the undergraduate and graduate levels and is co-author of *Strategic Human Resource Management*, a major Australian HRM text and regularly publishes in academic journals. Marian is also a contributor to *Worksite*. Her short articles have covered topics as diverse as working life in Australia and the USA, future work arrangements, contemporary selection techniques, labor hire arrangements and the changing nature of the contract of employment. For selected publications, visit Baird's web page (<http://www.econ.usyd.edu.au/content.php?pageid=928>).

An Interview with Marian Baird by Susan Lewis

Lewis: The Australian government has just agreed to implement paid parental leave. Has it been a struggle to bring this about?

Baird: Yes it has. Until this announcement, Australia and the USA were the only two of the developed nations that didn't have a nationally mandated paid maternity or parental leave scheme.

Lewis: How did you get this onto the national agenda?

Baird: The struggle for paid maternity leave in Australia began at least 30 years ago with the awarding of unpaid maternity leave. That was entrenched through the industrial relations system, and since that time, employers and unions have occasionally bargained for paid maternity leave. In the last decade, the claim has really come onto the agenda. There have been women's groups and academics lobbying and arguing for paid maternity leave at various points, but from 1996 to 2006, we had a conservative federal government and they staunchly refused to introduce it, despite the fact that the rest of the world was clearly moving ahead, including New Zealand, who introduced it in that time. Our government's argument was that it was either an individual and personal matter or it had to be negotiated between an employee and an employer. In 2004, the federal Treasurer was under pressure to introduce paid maternity leave and introduced what was called the "baby bonus." That was a direct payment to women who had babies, within the context of a low birth rate. It was an attempt to encourage women to have more babies. In fact, the Treasurer actually said in the press conference that Australian women should have 3 babies: 'one for the mother, one for the father and one for the country'.

Lewis: Did that help?

Baird: Well, then the social debate really began to kick in. The Human Rights and Equal Opportunity Commission ran an enquiry about paid maternity leave, and there was a public campaign arguing for a number of policy changes, particularly the need to introduce paid maternity leave for all women.

In 2007, the Labor Party was elected to government and promised to address the lack of paid maternity leave. The Labor government asked the Productivity Commission, a separate body that investigates economic performance and productivity issues for the country, to investigate the social and economic benefits of introducing a paid parental leave scheme.

Lewis: What was your role in the campaign?

Baird: My role, along with my colleagues, was to provide the research. Gillian Whitehouse and I ran the first Parental Leave in Australia study in 2005. Until then, we didn't have any data on parental leave or maternity leave in Australia. We didn't know how many women had paid maternity leave or how many women had actually used it because there's a difference between its availability and its use. However, we did have data on where paid maternity leave existed in enterprise agreements, that is, union negotiated collective agreements. Our study showed that only just over one third of Australian women had used paid maternity leave, and most of those women were in the public sector. We had a fairly clear pattern emerging that if you were in the public sector in either the state or federal government you were more likely to get paid maternity leave but not if you worked in the private sector.

Lewis: Did that have an influence?

Baird: Yes because the Productivity Commission took submissions from the public and from academics. By then, we were able to provide a lot of evidence about who had access to paid leave, who used it, the length of time women were taking, the impact on mothers' employment and retention, the impact on babies, and the impact on the distribution of time between the genders.

Lewis: So in fact you had been anticipating this and building up the data to be ready for a time when somebody would listen to it?

Baird: Yes. We knew that it had to come at some stage. Of course, you really do need a lot of research across a wide range of questions so we initially concentrated on access and utilization.

Lewis: How did you get funding for this research? Was there government funding?

Baird: The funding for the first research was a combination of government funding through our research grants council and linkage partners: the Human Rights and Equal Opportunity Commission and State Governments in New South Wales and Queensland and the Women's Electoral Lobby.

Lewis: So it sounds like by then there was already a sort of alliance?

Baird: There was, and it's a really good example of an alliance building around a women's issue that had moved from just an industrial issue to a feminist issue or a working women's issue. The alliance began with women's groups and the union movement; the next group that joined in were groups who were interested in infant welfare and mother and child well-being. They came on board in the last wave, and that was quite critical. There's been quite a strong argument that if you could keep mothers at home with their babies for the first half year, it will have a better outcome for all concerned, remembering also that Australia has a very poor child care system at the moment.

The union movement really got behind it in the last 5 years. They have been pushing for unpaid leave and job protection in test cases, but they really joined the alliance for paid leave in that last period.

In late 2008, the Productivity Commission enquiry made their recommendations. The government accepted most of them, and announced the paid parental leave scheme in the budget this year on Mother's Day. This was a very politically timed moment. The scheme doesn't start until January 2011, so it's been a long process! But, we now at least have a significant policy shift. We welcome that, but of course the details of the scheme

leave a little bit to be desired and there'll be room for improvement and review over the next few years.

Lewis: How long will the paid leave be?

Baird: It's 18 weeks of paid parental leave.

Lewis: And is that for mothers and fathers?

Baird: It's for the primary carer, and we know from our research that will be the mothers, mostly. It is 18 weeks paid at the federal minimum wage, so it's not income replacement and it sits in addition to whatever employer provisions might exist. Remember that they don't exist everywhere, but they do exist in some cases. The leave has to be taken within the first 12 months of the baby's life. The eligibility is quite wide, so it includes people who are casuals, self-employed and contractors as well as employees. If a woman decides not to take the paid parental leave she can still receive, the baby bonus, so there is money for mothers who decide to stay at home, and there is a parental leave scheme for mothers who are in the workforce.

There is an income test as well. If you earn more than \$150,000 taxable income in the previous year, you're not eligible for the parental leave, but our research also suggests that there is only about 2% of women who would earn that and most of them will be either in very senior positions or beyond child bearing years, so it hasn't proven to be such an issue at the moment.

Lewis: That is really quite revolutionary. It seems as if a number of factors have come together: the election of the Labor government, the low birth rate, awareness of the productivity issues, and the alliance of women's work and union groups

Baird: Exactly. We did some very innovative campaigning. We really ran with the line that there is evidence to support this policy. Then other groups would pick up on the evidence and do lots of campaigning and lots of leafleting and demonstrations at Parliament House and public polling. We ran polls and that picked up a really big shift in thinking to people wanting and expecting to have paid maternity leave, especially of course amongst younger men and women.

Lewis: That's interesting that men were interested in the issue as well.

Baird: Yes, younger men and women were very supportive. Older men were probably the most reluctant but even they came on board eventually. The most recent polling was really interesting because it asked "Do you want tax cuts or paid maternity leave?" and people favored paid maternity leave over tax cuts, so there was quite a shift in thinking. There was a sense that Australia was way behind and it was time that we caught up with the rest of the world on this issue.

Lewis: What about employers?

Baird: Employers were initially opposed to any scheme that meant that they would have to pay, and the government was very conscious of this. That is one of the reasons, I think, that they're delaying the introduction—so they can run an education campaign for employers. This scheme doesn't ask employers to pay; if they do already pay, they have to continue to do so for the life of the current agreement, but they could negotiate it differently in the next round of agreements. That will be one thing that I will research—whether or not employers start to bargain away or trade-off the entitlements that had previously existed. I hope this doesn't occur, of course! There was one part of the scheme that the government did drop: the Productivity Commission recommended that the employers pay women's superannuation while they're on maternity leave, and employers objected to that.

Lewis: Have the employers had any anxieties about the time that women are off?

Baird: There hasn't been much discussion about this. We have had a period of women being on unpaid leave, and they have overall returned to work, usually after around 9 months. The majority try to return part time

Lewis: And they have the right to request part time hours?

Baird: They didn't, but they do now with the new National Employment Standard, commencing January 1, 2010. That is yet to be tested. It's a 'right to request,' but there is no formal right of appeal and so the employer can object on business grounds, which are fairly broad ranging and ill-defined at the moment.

The other aspect of the scheme that wasn't picked up by the government was paid paternity leave. As you know, all the research is arguing that unless men have access to paid leave, they don't take it, but the government dropped that. The Productivity Commission proposed two weeks' paid paternity leave, but they haven't gone ahead with that and interestingly, none of the men's groups raised a voice about it.

There is a strong workplace culture here for men that your career will be negatively impacted if they take leave. However, the day before the government announced this scheme, our major mining company introduced 18 weeks of paid parental leave for everyone around the world in their company, men and women—40,000 employees.

Lewis: That's fantastic! Has the global financial crisis made any difference?

Baird: Well, of course it came on the back of a very tight labour market, and we were all worried that with the global financial crisis, the Government wouldn't go ahead with the paid parental leave recommendation. We have argued that it is a stimulus to the economy and that it will increase female participation. There was one study prior to the government's announcement that argued that introducing paid parental leave would actually increase GDP in Australia. The government hasn't shied away from it because of their budgetary problems. However, it probably won't cost that much because women cannot have the baby bonus and paid maternity leave, so it doesn't increase the total budget expense hugely. There is a bit of an increase, but it's not unaffordable.

Lewis: From your experience, how would you advise someone in a country where they haven't got paid parental leave yet?

Baird: Well, I do think that in our context, doing research and showing the evidence to support the arguments was important, and going public with our research results was very strategic. Our case studies showed that the sky doesn't fall in if you have paid maternity leave; you can work these things out. There is a business case to be made, although I'm personally not keen to run with that too often, as I think it's tenuous at times and a difficult one to sustain.

Lewis: Could there be a business argument combined with the social argument?

Baird: Yes, and most of the research we have done shows that businesses don't actually just use one argument. They do pick up on social arguments, and if they want to be an employer of choice they will also pick up on issues that relate to better work and family policies.

Lewis: So what's next?

Baird: We will be monitoring progress, carrying out research, and campaigning about the issues still to be addressed, including superannuation during maternity leave and the need for better child care in particular. There is always more to do, but the government has taken a huge step in the right direction.

Maternity Leave: Industry and International Comparisons

Country	Length of Leave	% Wages/Earnings	Who Pays?
Australia	1 year	Small % of employers provide paid benefits, usually for 6-8 weeks	
Angola	90 days	100	Employer
Cambodia	90 days	50	Employer
Canada	17-18 weeks	55 for 15 weeks	Insurance
China	90 days	100	Employer
France	16-26 weeks	100	Social Security
Germany	14 weeks	100	Social Security to ceiling; employer pays difference
Guatemala	12 weeks	100	Employer 33%, Social Security 67%
Mozambique	60 days	100	Employer
Norway	18 weeks	100	Social Security
Peru	90 days	100	Social Security
Switzerland	8 weeks	100	Employer
The Netherlands	16 weeks	100	Social Security
United Kingdom	14-18 weeks	90 for 6 weeks, flat rate after	Social Security
United States	12 weeks	0	

Source: Equal Opportunity for Women in the Workplace. (n.d.) *Paid maternity leave: Industry comparisons*. Retrieved from http://www.eowa.gov.au/Australian_Women_In_Leadership_Census/About_Equal_Opportunity/key_agenda_items/work_life_balance/Paid_Maternity_Leave/Industry_And_International_Comparisons.asp

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