



# Facts & Figures

## - Paid Maternity Leave

### **International comparisons**

- Australia and the United States are the only two OECD countries without a statutory paid parental leave scheme.

### **The labour market and workplace bargaining have not delivered equity**

- Almost two thirds of Australian parents have no paid parental leave.
- Only 24% per cent of retail and hospitality workers have paid parental leave.
- Only 0.14% per cent of casual workers have paid parental leave.
- 75% of high earning employees and 80% of public sector employees have paid parental leave.

### **Mother's income**

- 57% of women earn less than the federal minimum wage.

### **Costings**

- ACTU estimates the net cost to government is \$518 million.
- For employers there is no cost for one third of all new mothers.
- The cost for employers is less than \$600 for the majority of employees (50% of employed mothers earn under \$30,000 p.a.)

### **Good for women and their babies**

- 14 weeks' paid maternity leave enables women to recover from birth and establish breastfeeding.

### **Good for families**

- 60% of all families with dependents are two-income earning households and rely on women's wages to survive financially.
- Fathers of new babies work 5 hours per week more than average to make up for the mother's lost income and spend less time bonding with their baby.

### **Benefits to business**

- Replacement costs can be around a year's salary while paid maternity leave of 14 weeks' costs just over a quarter of a year's pay.
- It is estimated that the cost to retailers of staff turnover is \$397 million.
- The Holden company reports that since introducing paid maternity leave 90% of their employees now return to work after their paid leave.

### **Good for the economy**

- Around 70% of women of child bearing age are in the paid workforce and they now make up almost half of the paid workforce.
- Paid maternity leave encourages labour market attachment for women maintaining a high quality and competitive labour force.
- Mothers make up one of the largest un-tapped labour market resources. Modelling by Treasury shows that a 2.5% increase in labour participation rates would produce an additional 9% increase in economic output by 2022.



## Facts & Figures

### Frequently asked Questions

#### 1. Why should the government pay for women to have children?

- Two-thirds of women don't get any financial assistance but high paid women and public sector employees do. Low paid and non-permanent workers who need it the most don't get paid maternity leave.
- Our economy needs women to return to work. It is also a return on education investment.
- We need to encourage families to have children.
- Government already pays the baby bonus.

#### 2. What's the difference between the ACTU paid maternity leave model and the baby bonus?

- The government component replaces the baby bonus.
- Rewards women who work because they get the employer top up.
- Doesn't penalise those who don't work.
- Provides full income replacement so that families can still pay bills.
- Is taxed so high income families get less than low income families who need it more.
- Is indexed so payment reflects rises in costs of living.

#### 3. I already get paid maternity leave so what's in it for me?

- You will get the government payment on

top of whatever you currently get from your employer.

- Your support helps deliver paid maternity leave to the two-thirds of women who don't get any financial help.

#### 4. Why should mother's who don't work get paid maternity leave?

There are many reasons why mothers decide not to work - some of these reasons are not by choice but because childcare is so expensive, or they didn't get paid maternity leave, or there was no job to return to.

#### 5. What about paternity leave?

If the government can provide more than 14 weeks paid maternity leave, we recommend the rest be parental leave available to any primary carer. However, as a minimum, mothers should be entitled to 14 weeks paid leave to recover from birth and establish breastfeeding and other healthy patterns of care for their baby.

#### 6. What about other parents?

The government payment goes to the mother's bank account. The mother may provide this money to any other primary carer if the she is not the primary carer.

#### 7. How much will it cost the government?

In total this scheme would cost the Australian government \$518 million.

#### 8. Will it send employers broke?

The cost to employers would be very small, less than \$600 per person, over the 14 weeks in most cases.

#### 9. Why ask employers to pay?

Paid maternity leave should be seen as the same entitlement for leave as sick leave, annual leave, long service leave etc. a government subsidy means they don't pay for much of it anyway.

#### 10. Will it stop employers from employing women?

No. That's what they said when we argued for unpaid leave and it didn't effect employment of women. We have a very gender segregated workforce - ie, retail, hospitality etc that relies on women workers.

#### 11. Will it affect other parenting payments I get from the government?

No. We have sought a safety net position that if the additional 'income' puts a family in a new income bracket and affects other welfare entitlements then the additional maternity payment could be exempt from income assessment.

