



Mr Tim Watts MP
97 Geelong Road
Footscray VIC 3011

Wednesday 27 October 2016

Dear Mr Watts

Re: Proposed legislative changes to Paid Parental Leave

We require your support to organise others to vote against the regressive legislation to undermine women's access to paid parental leave so this bill does not pass the House of Representatives. The proposed changes are a direct attack on women's ability to balance work and family responsibilities.

The proposed legislation, if passed, will prevent women from being able to claim minimum wage government paid parental support in partnership with employer funded schemes. Women who receive 18 weeks of parental leave from their employer will no longer be eligible for government support. This is contrary to advice from the Productivity Commission and the original design of the scheme which was always to combine both, to enable mothers to spend the recommended six months at home with their newborn baby.

If passed, this new legislation will see over 80,000 mothers worse off by up to \$12,000. Thousands of women who are already pregnant will lose some or all of the government scheme benefits. This legislation will impact women on already low wages working in the human services, retail and hospitality sector with very modest employer-funded parental schemes, reducing the time they can afford to take off after the birth of their newborn baby.

Women's Health West relies on the government scheme to be able to afford a reasonable level of paid parental leave that provides our staff with their usual rate of pay for 18 weeks. This supports their ability to take the time required to bond with their newborn baby and pay bills and housing costs.

Australia's current paid parental leave scheme is already insufficient and lagging behind international standards. We are currently ranked 37th on the list of OECD countries that are most generous to new parents. While mothers in Australia receive only 18 weeks of full time paid parental leave, Swedish parents are entitled to 60 weeks, German parents 58 weeks, Canadians get 52 weeks and in Ireland, parents receive 26 weeks. These proposed changes will further diminish our already modest parental leave and further tarnish our reputation internationally.

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Paid parental leave has extraordinary economic benefits that are imperative to support women transition smoothly in and out of the workforce around childbirth. Research shows that women who receive appropriate financial support and are therefore less pressured to return to work quickly, are actually more likely to return to the workforce 12 months after childbirth. This also has economic advantages for publicly funded organisations, reducing recruitment and training costs.

Paid parental leave also has longer-term economic benefits. Australian women earn less than men over their lifetimes because of a persistent gender pay gap, which currently sits at around 18 per cent. This means that women retire with, on average, 47 per cent less superannuation than men, and therefore become more reliant on the aged pension. Reducing the financial impact of career disruption on women as mothers is not only a positive step to redress gender inequity, but saves government spending in the longer term.

We strongly encourage you to vote against the proposed legislative changes for Paid Parental Leave as they are regressive and inequitable.

Please do not hesitate to contact me or Elly Taylor, Director Strategy, Advocacy and Community Engagement at Women's Health West on elly@whwest.org.au on this important topic.

Yours sincerely

Dr Robyn Gregory
Chief Executive Officer
Women's Health West