



HRpulse

The Parent Trap - The Parental Leave Debate

RESEARCH REPORT



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Foreword

The number of respondents to the AHRI survey on this immensely important workplace issue has set a new record, and the content of the research has confirmed that the parental leave debate is not only critical but also highly charged.

It is clearly a contentious agenda item for the Federal Government in its progression towards Fair Work Australia, and it will be very interesting to see how the Productivity Commission deals with the associated issue of paid paternity leave in its forthcoming submission to the Workplace Relations Minister.

One of the pleasing outcomes of this research exercise is that people see parental leave as a high-level issue on the country's agenda and that the national interest considerations associated with it are beyond matters of individual preference and personal lifestyle.

The welfare of parents and children is now rightly seen as a priority by government, business and individuals across the spectrum of Australian society. That is not to say resolving policy formulation will be an easy matter as there are passionate advocates for numerous models of parental leave as well as a significant minority of well-intentioned people who consider other courses of action more critical to getting good outcomes than parental leave, paid or unpaid. The responses to this survey are a good example of the breadth of perspectives among working Australians.

A number of respondents make the point that this issue be seen as a parenting issue rather than a women's issue. That distinction will assist in minimising the politics of the policy debate though it will inevitably be a matter resolved through the exercise of astute political action as well as soundly-based data and robust debate.

Many human resource issues have been raised by respondents to the study along with a wide range of general business issues, high among them the question of the impact of paid parental leave on small business, the biggest employer of Australian workers.

An HR issue that stands out is the question of organisational policy and the way it is sometimes interpreted and implemented by line managers and business units. A number of HR practitioners have highlighted in their responses the disparity between rhetoric about company policy and the preparedness to implement that policy when the crunch comes.

That disparity is a challenge for business, for HR practitioners and finally for those in government who are the designers of the national blueprint on parental leave.

Peter Wilson AM
National President, AHRI



Once again, I am delighted to report that the third quarterly *HRpulse* survey for 2008 has been well received by AHRI members.

With 1822 responses, AHRI has been able to bring together a representative sample of the perspectives on this very hot issue of parental leave. With a sample of that order, we are well placed to bring the views of our members to the attention of government and to circulate the results in the public arena.

I am also pleased to report that we provided, in its raw form, the data that informs this research report to the Productivity Commission inviting the Commission to consider the findings in preparing its submission to government later this month.

The final *HRpulse* research survey for 2008 is on the contentious issue of performance management, the results of which will be published in December. AHRI members wishing to suggest areas of research for future *HRpulse* surveys are warmly invited to send them to hrpulse@ahri.com.au

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EXECUTIVE SUMMARY

Background

At time of writing, the Federal Government had issued its 10 National Employment Standards, one of which includes a stronger provision for unpaid parental leave, though not for paid parental leave.

The Deputy Prime Minister and Employment and Workplace Relations Minister Julia Gillard charged the Productivity Commission with the task of reporting by September 2008 on the issue of paid parental leave. What the Minister chooses to do with that report when it is submitted remains to be seen though it is reasonable to assume it would inform the Australian Industrial Relations Commission in its deliberations on the formulation of Modern Awards which, together with the National Employment Standards, will make up Fair Work Australia, the workplace relations regime that will come into operation on 1 January 2010.

Meanwhile the media keep the pressure on with reports such as a *Canberra Times* article on 20 August 2008 reminding readers that the Human Rights and Equal Opportunity Commission have joined with the ACTU and some employer groups in calling for 14 weeks of universal paid parental leave funded by government and topped up by employers. The report notes that Australia and the United States are the only two developed countries that do not have a universal paid parental leave scheme.

Who contributed to this research?

A total of 1822 members and stakeholders of the Australian Human Resources Institute responded to an online questionnaire on parental leave titled 'The Parent Trap' during two weeks in June 2008. Respondents were not required to answer every question.

A total of 50 per cent of respondents are from organisations of more than 500 employees, including 40 per cent from organisations with more than 1000 employees. From small-to-medium enterprises, 30 per cent of respondents are from organisations with between 100-500 employees and the remaining 20 per cent are from organisations with fewer than 100 employees.

Approximately three out of four respondents (77 per cent) work in HR roles as directors and senior managers (19 per cent), managers, advisors and administrators (50 per cent) or consultants (8 per cent). The remaining 23 per cent of respondents work in non-HR roles that include executives, managers, administrators, academics and lawyers.

Roughly three out of four of respondents (76 per cent) are female, and approximately two out of three respondent organisations (63 per cent) provide paid parental leave in some form. A total of 29 per cent offer unpaid parental leave beyond legal requirements.

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MAIN FINDINGS

Quantitative questions

The main findings of the survey based on the quantitative responses to tick-box questions were as follows:

- A total of 80 per cent of respondents believe paid parental leave is either extremely significant (12 per cent), significant (31 per cent) or of some significance (37 per cent) in attracting good candidates to the organisation. Five per cent believe it's not significant at all and 15 per cent think it's of little significance.
- Of organisations that offer paid parental leave, 67 per cent of respondents estimate that more than half of the women on that form of leave return to work with the same employer when the period of leave expires, compared with only 39 per cent of respondents estimating a similar return rate in organisations that offer unpaid parental leave.
- The striking difference in the proportion of mothers returning to work from paid parental leave in comparison to its unpaid equivalent suggests there is considerable merit, from the perspective of the bottom-line cost of staff turnover, in businesses supporting and actioning their own paid parental leave model.
- Nearly nine out of ten respondent organisations (87 per cent) offer returning parents a part-time or other flexible working arrangement, and a total of 56 per cent rate their organisation's practices for transitioning parents back into the workplace as good or better, but 40 per cent rank their efforts as only fair or worse.
- Around one in three respondents have observed that the career progression opportunities of employees who are new parents or are expecting a child have at some stage been negatively affected.
- Approximately three quarters of respondents (74 per cent) believe paid parental leave should be mandated by legislation. If it is mandated, 63 per cent prefer the model of a joint contribution from government and employers. Around a quarter of respondents (24 per cent) want government to fund it and 7 per cent want employers to provide the funding.

QUALITATIVE QUESTIONS

The main areas of written commentary contributed by respondents to the survey were as follows:

Employer benefits

- Paid parental leave benefits include retaining corporate knowledge, key staff and essential skills
- Paid parental leave assists in winning employee loyalty and establishing a family friendly employer brand
- An enlightened parental leave policy assists in being competitive when attracting and recruiting talent

Organisational cultures

- While culture can be accepting, there is recognition that returning to work can be hard for mothers
- There are too few returning women in senior positions to judge yet how adequately it works for women at executive level
- Evidence indicates that nearly half of the respondent organisations are not accepting or supporting flexible return-to-work options in practice, especially for women in management positions
- Many respondents highlighted that the extent of the application of parental leave policies depends wholly on the attitude of line managers, with significant variations in organisational practice across business units of the same organisation
- There is widespread acceptance that some positions don't lend themselves to part-time work, which can affect the taking of parental leave, ongoing productivity and the return-to-work rate

General comments

- There is a reasonably widespread view that childless employees should not have to pay for decisions of individuals to have children
- The view was expressed by a number of respondents that parental leave can tie up positions with replacement staff on extended casual contracts
- Some respondents said it was better to focus on availability of suitable childcare and return-to-work policies than paid parental leave policies
- The view was put that many new mothers change their return-to-work views after the birth and do not return as planned, leading a number of respondents to the view that it is not advisable for employers to fund parental leave

- Small business was cited as a special case by many respondents who put the view that funding parental leave could threaten their viability and reduce their readiness to employ women
- There was no single preferred model for offering parental leave, with some organisations already attracting female staff through innovative special arrangements; e.g. six weeks of paid leave plus \$45 per day paid towards childcare on return
- Some respondents suggested that if paid parental leave is funded by the employer, parents could enter a bond to return to work or refund the money
- In terms of flexible work options, the view was put by a number of respondents that women with children have an unfair advantage in some organisations over child-free women
- A number of respondents put the view that, compared with other countries (e.g. UK, Canada), Australia is archaic in not having paid parental leave

KEY FINDINGS

DEMOGRAPHICS

The survey attracted a response rate of 1822 individuals from the Australian Human Resources Institute database over a two week period in June 2008. Respondents were contacted by email and completed the survey online.

A representation of the respondent breakdown in terms of age, gender, organisation size, industry and position with the organisation is set out in Tables 1-5 below.

Table 1. Age of respondents

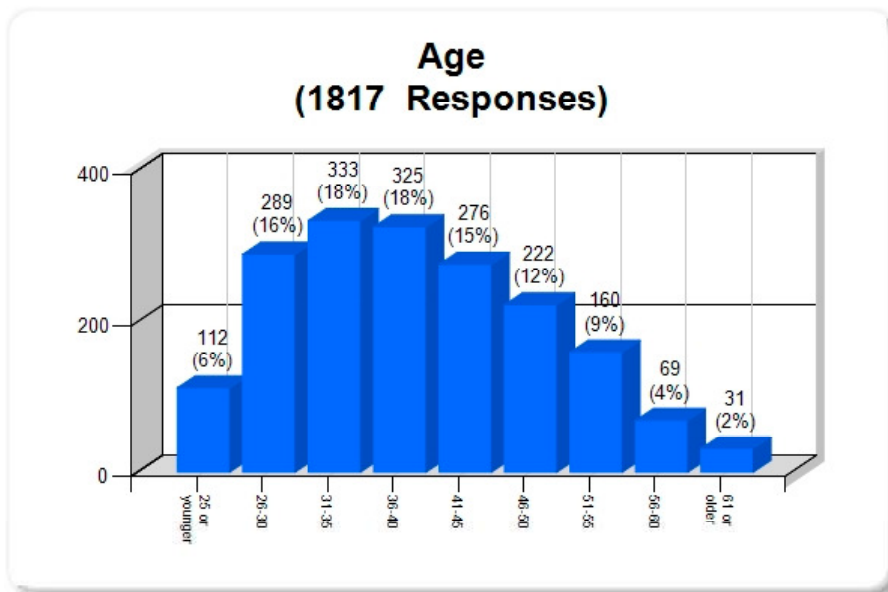


Table 2. Gender of respondents

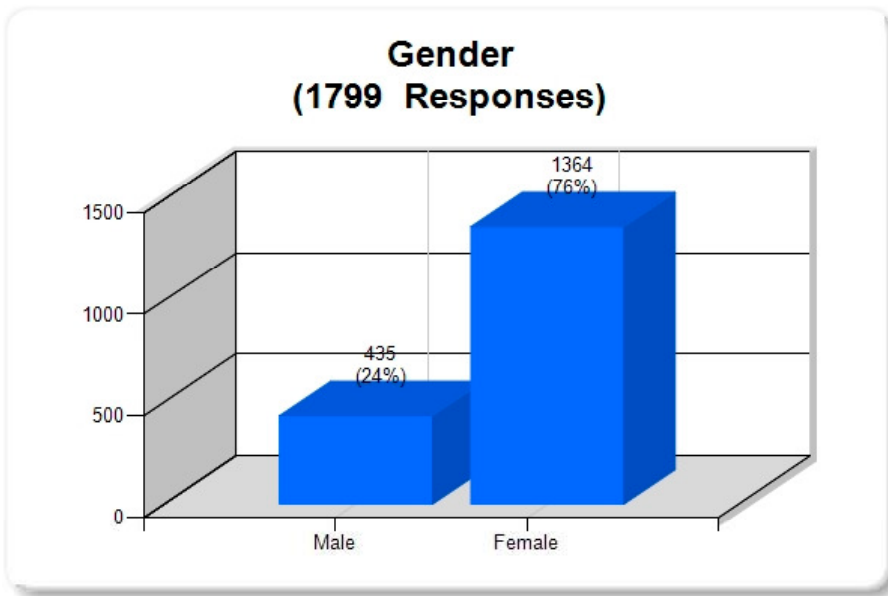


Table 3. Organisation size

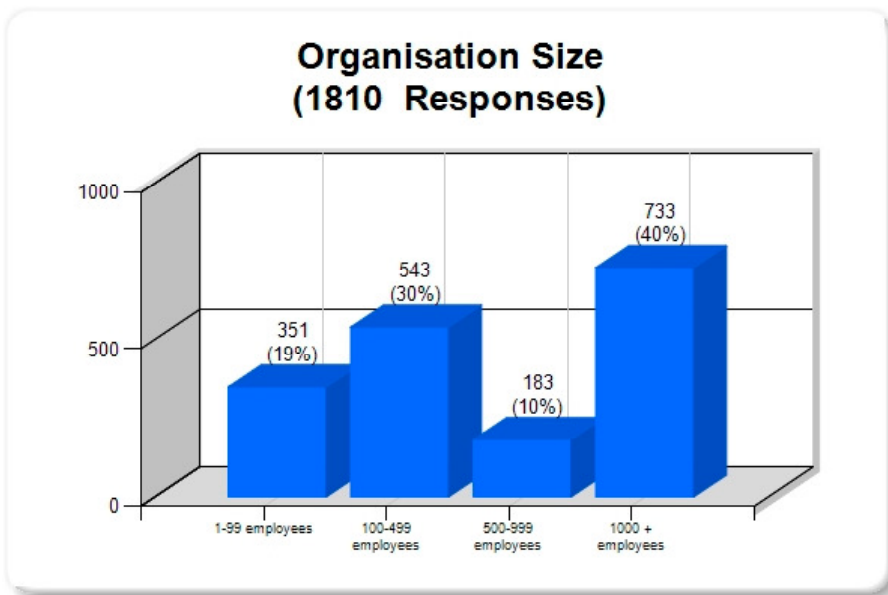
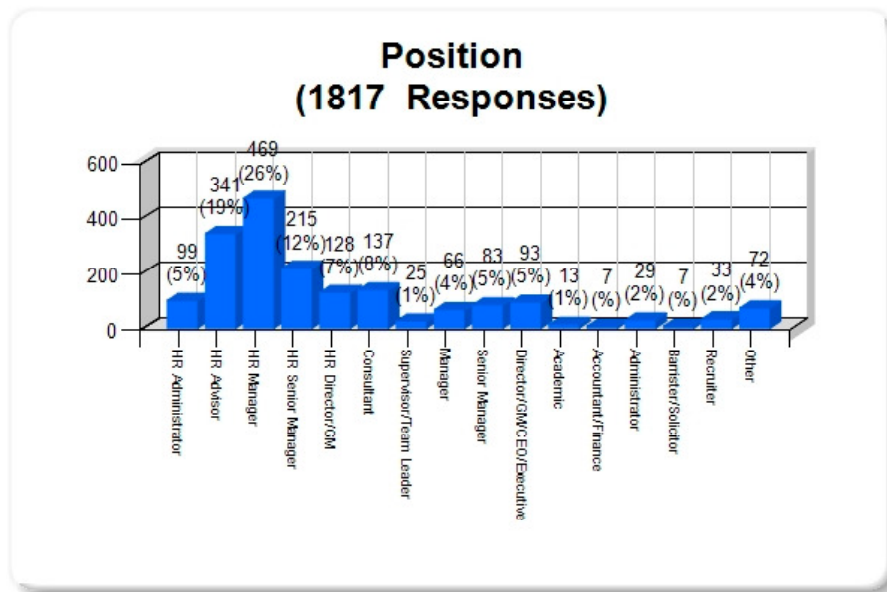


Table 4. Industry

(1788 Responses)

Option	Count	Percent
Agriculture, forestry and fishing	21	1.2
Mining	69	3.9
Manufacturing	113	6.3
Electricity, gas, water and waste services	41	2.3
Construction	50	2.8
Wholesale trade	21	1.2
Accommodation and food services	34	1.9
Transport, postal and warehousing	58	3.2
Information, media and telecommunications	95	5.3
Financial and insurance services	189	10.6
Rental, hiring and real estate services	13	0.7
Professional, scientific and technical services	220	12.3
Administrative and support services	58	3.2
Public administration and safety	147	8.2
Education and training	147	8.2
Health care and social assistance	153	8.6
Arts and recreation services	18	1.0
Other industry	341	19.1
TOTAL	1788	100.0

Table 5. Position within organisation



PARENTAL LEAVE OFFERED

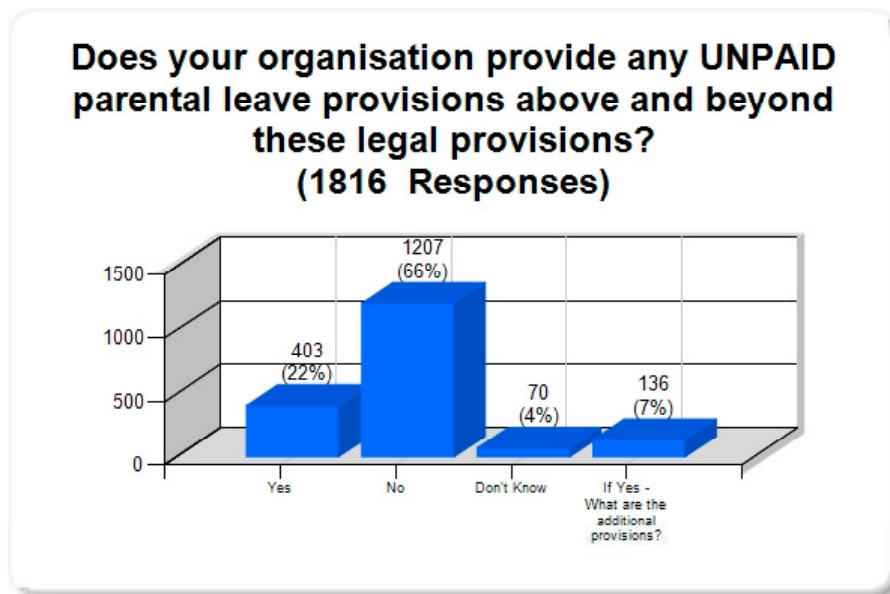
Unpaid parental leave

The survey reminded participants that 52 weeks of unbroken parental leave following birth was a legislative entitlement and asked participants to indicate whether their organisation offered anything over and above that entitlement.

Table 6 reveals that two thirds of respondents (66 per cent) said no form of extra unpaid leave is offered within their organisation on top of the legal entitlement. Of the other third, a total of 29 per cent said their organisation offers something extra, with 7 per cent (136 respondents) itemising some of the additional provisions.

The most common itemised extras were offers of additional time over and above the 52 weeks and include anything from invitations to apply for part-time or an extension to a standard offer of an extra 12 months in most cases, with a few cases of five to seven years leave without pay, or leave until the child starts school. Another common practice relates to manager discretion on making offers that suit both parties.

Table 6. Additional unpaid leave provisions beyond entitlements



Paid parental leave

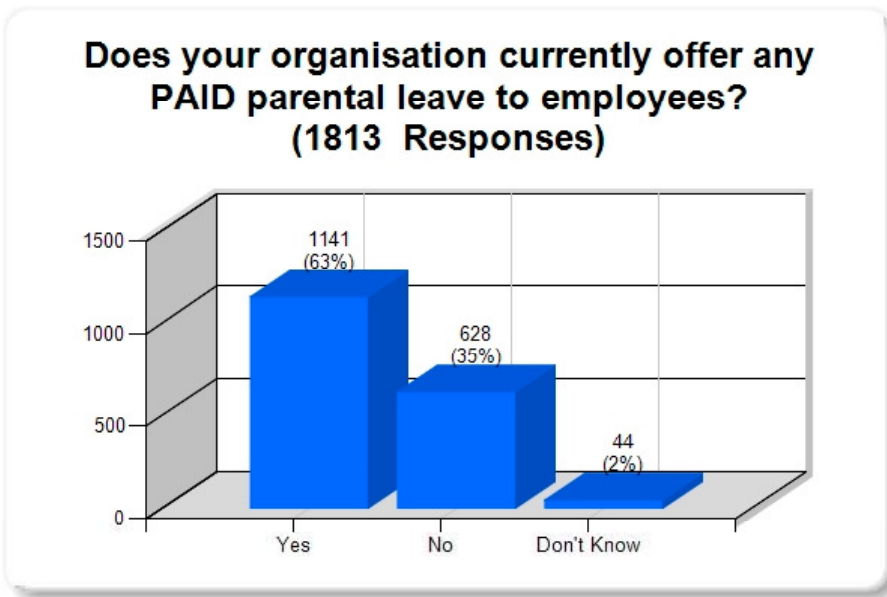
Table 7 indicates that nearly two thirds of respondent organisations (63 per cent or 1141 respondents) offer paid parental leave in some form.

A total of 61 per cent of leave reported by those respondents is for maternity leave of between six and 12 weeks' duration based on the following approximate figures:

- 6 weeks – 17 per cent of respondents
- 8 weeks – 9 per cent
- 12 weeks – 35 per cent
- more than 12 weeks – 26 per cent.

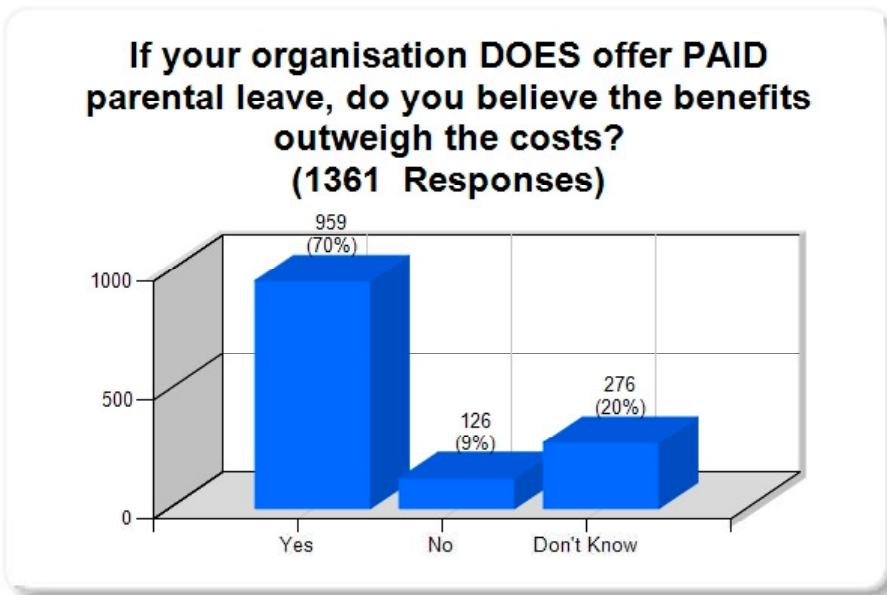
A little more than half of those respondents (55.47 per cent) indicate that paternity leave is offered for either less than two weeks (37 per cent) or from between two to four weeks (17 per cent), while nearly 10 per cent indicate that paternity leave of eight weeks or more is offered. Approximately 17 per cent offer no paternity leave.

Table 7. Incidence of paid parental leave



To the general question in table 8 of whether the benefits of paid parental leave outweigh the costs, 959 out of 1361 respondents (70 per cent) answered in the positive with fewer than 10 per cent thinking that not to be true and 20 per cent being unsure.

Table 8. Do the benefits of paid parental leave outweigh the costs



Employee attraction and recruitment

Table 9 indicates responses on whether paid parental leave is significant in attracting employees to the organisation. Four out of five respondents (80 per cent) agreed it is a factor, with 12 per cent saying it is extremely significant, 31 per cent significant and 37 per cent of some significance.

Table 9. Connection between paid parental leave and attracting employees

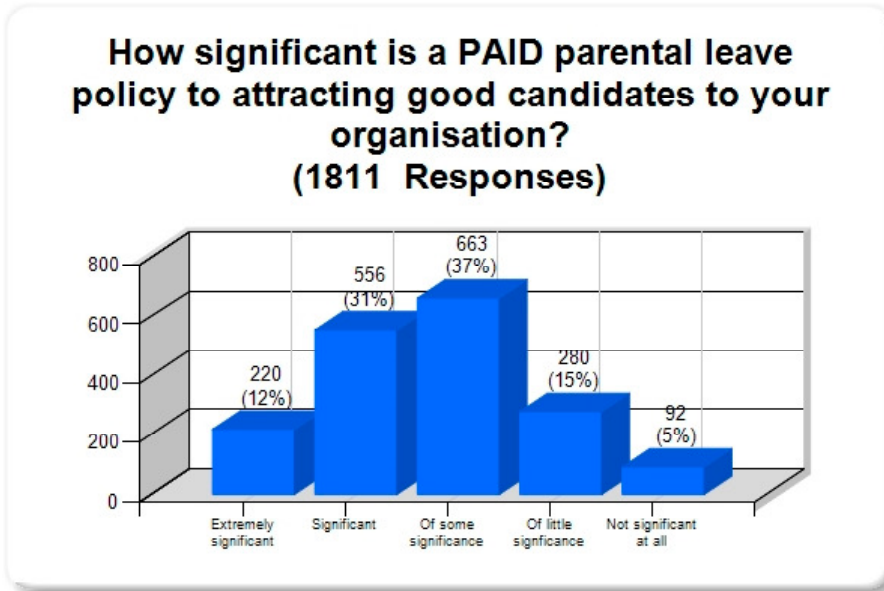


Table 10 shows the extent to which respondents from organisations that do not have a paid parental leave policy have difficulty attracting good candidates. Of organisations that have no paid parental leave policy, one in four (25 per cent) believe the absence of a policy makes recruiting good candidates more difficult, though nearly twice that number (44 per cent) believe it has no effect on recruitment.

Table 10. Effect on recruitment of having no paid parental leave policy

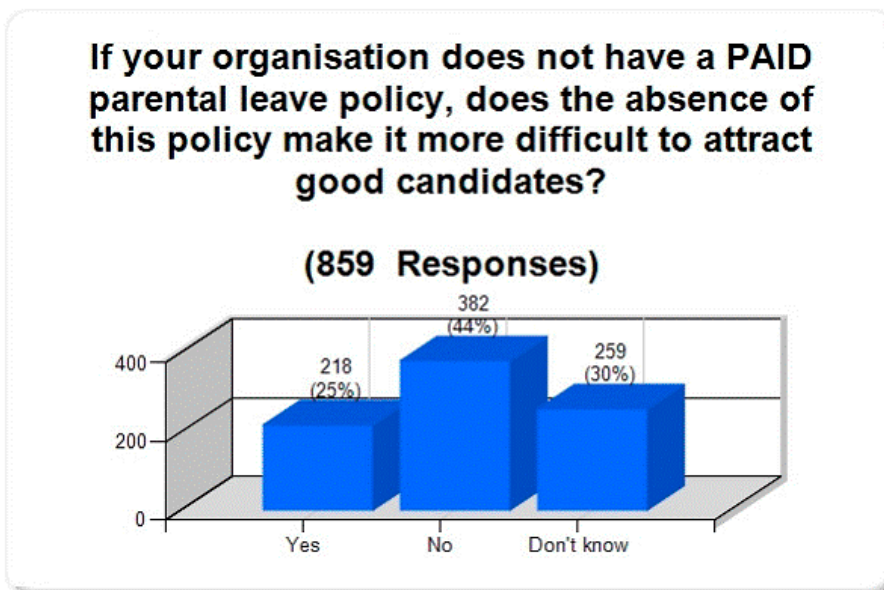
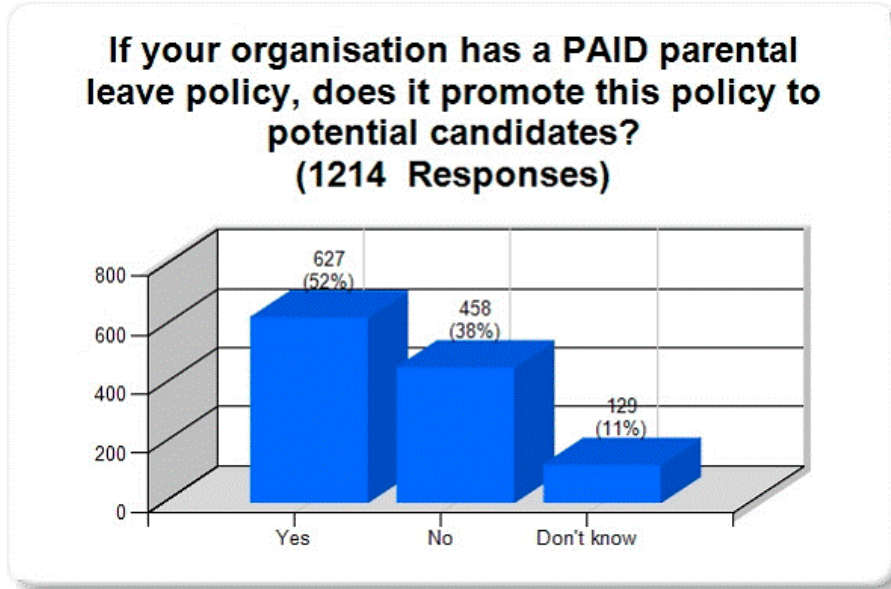


Table 11 shows the extent to which organisations with a paid parental leave policy promote the policy when recruiting.

Of the respondents whose organisations have a paid leave policy, around half of those organisations (52 per cent) promote the policy to potential candidates.

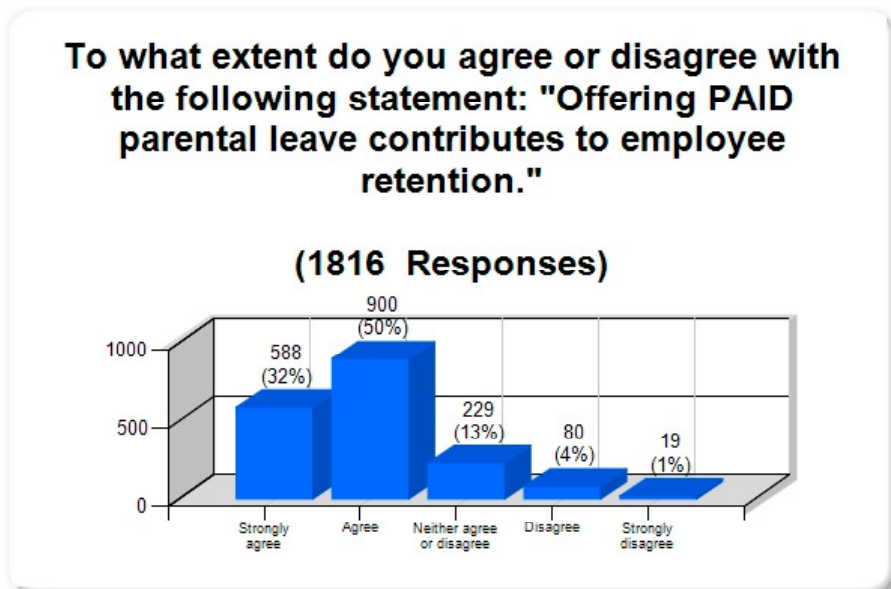
Table 11. Promotion of paid parental leave for recruitment purposes



Employee retention

Looking at the entire respondent sample on the question as to whether paid parental leave contributes to keeping staff, Table 12 shows that four out of five respondents agree that it does, with 50 per cent agreeing and 32 per cent agreeing strongly with that proposition.

Table 12. Paid parental leave and retention of staff



In answer to a separate question about whether the availability of paid parental leave would influence respondents when choosing an employer themselves, a little more than half (55 per cent) said it would and 45 per cent said it would not. Only 39 per cent of respondents expect to have reason to take parental leave during the next three years.

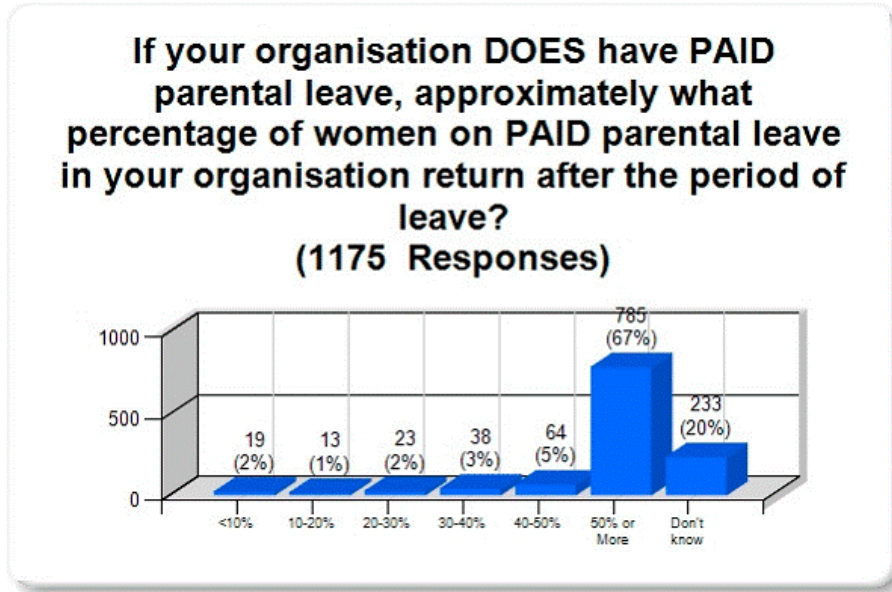
RETURNING TO WORK

Following paid leave

Respondents from organisations that offer paid parental leave were asked about the extent to which women who took the leave returned to work at the end of the period of leave.

Table 13 shows that more than two thirds of the respondents (67 per cent) report that 50 per cent or more women at their organisation return to work with the same employer when their leave ends.

Table 13. Proportion of women returning to work after paid parental leave



Following unpaid leave

Conversely, respondents were asked to what extent organisations that do not offer paid parental leave lose female staff after a period of unpaid parental leave.

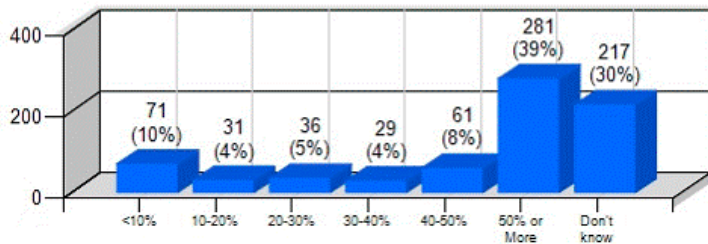
Table 14 shows that 39 per cent of respondents report that 50 per cent or more women return to work with that employer when their unpaid period of leave expires, significantly fewer than the 67 per cent of organisations that offer paid parental leave and report a return rate of 50 per cent or more.

The juxtaposition of tables 13 and 14 indicates the potential for a significant comparative benefit to businesses that offer paid parental leave, in terms of the proportion of women retained by the business. AHRI's *HRpulse* research study on staff turnover ("Love 'em, don't lose 'em: identifying retention strategies that work") revealed a recent increase in the rate of Australian churn from 12 per cent to 18 per cent.

On those figures, in a business employing 500 staff a turnover rate of 18 per cent is equal to 90 employees. At a standard estimate of 150 per cent of salary to replace a staff member on an average \$60k salary, the total cost of turnover in that situation would amount to \$8.1 million (\$90k salary X 90 employees). A simple calculation on those lines suggests that paid parental leave delivers a significantly better comparative result with respect to the bottom line than unpaid parental leave.

Table 14. Incidence of women returning to work after unpaid leave

**If your organisation DOES NOT have PAID parental leave, approximately what percentage of women on UNPAID parental leave in your organisation return after the period of leave?
(726 Responses)**



Transition practices

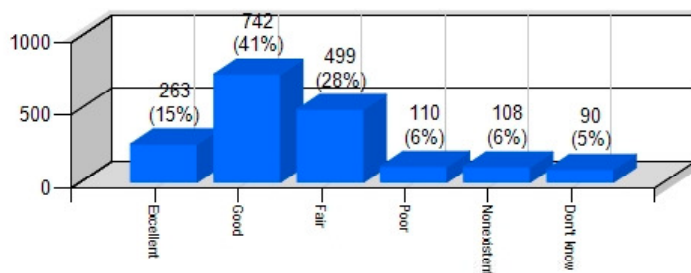
On a rating scale from excellent to non-existent, respondents were asked how well their organisation arranged the transition for parents returning to the workplace after a lengthy period of leave. Table 15 sets out the responses.

A total of 56 per cent of respondents said transition arrangements at their organisation were either good (41 per cent) or excellent (15 per cent), while a total of 40 per cent reported their arrangements were fair (28 per cent), poor (6 per cent) or non-existent (6 per cent).

When the 5 per cent figure for those who don't know is added to the negative figure of 40 per cent, it represents nearly half the respondents in the sample saying that their organisation does not do transitioning of parents well when they return to work, indicating a significant policy flaw in view of the cost of staff turnover.

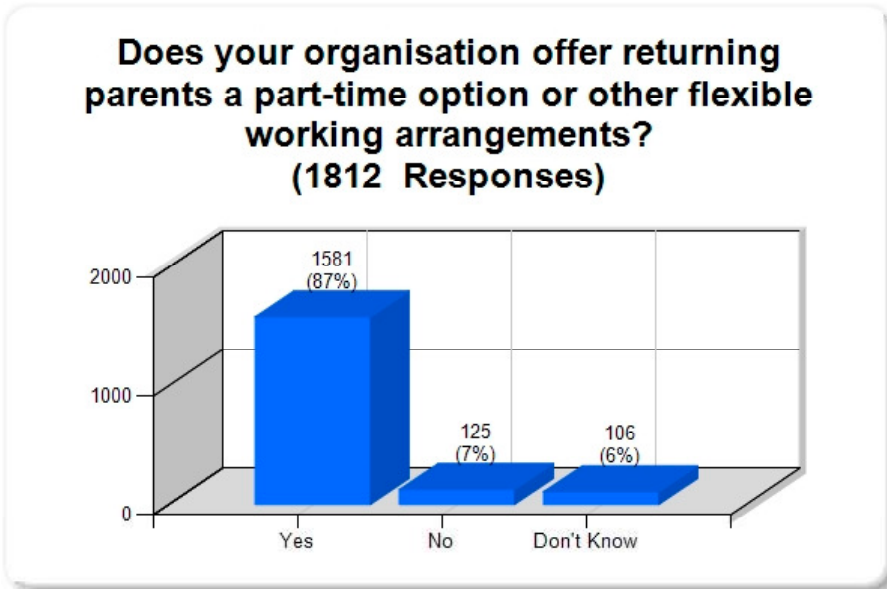
Table 15. Transition for parents returning from leave

**How would you rate your organisation's practices for transitioning parents back into the workplace following a lengthy period of parental leave?
(1812 Responses)**



On the issue of flexible working arrangements for parents returning to work, table 16 shows that a significant majority of respondents (87 per cent) report their organisation offers part-time or some other option.

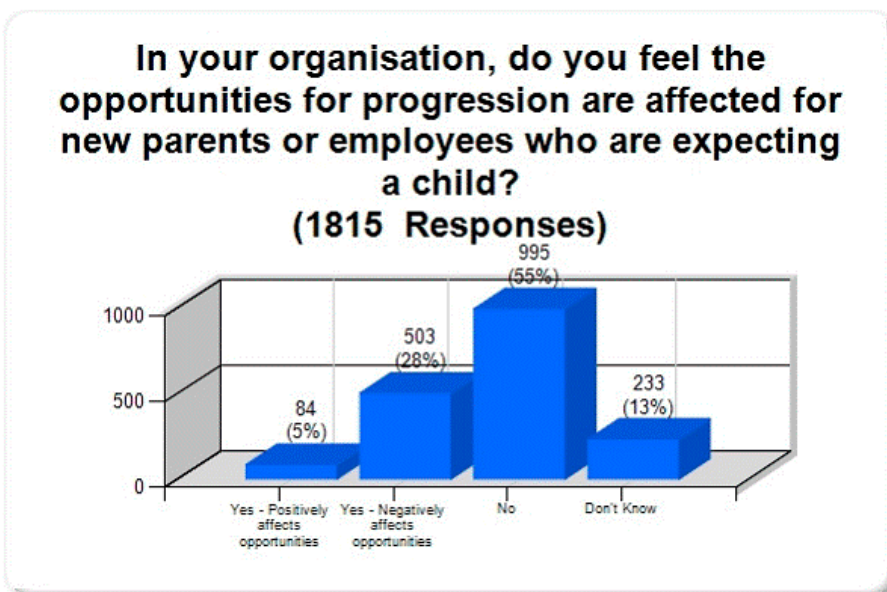
Table 16. Organisations offering part-time or flexible working options for returning parents



Parental status and career progression

To a question on whether the opportunities for progression for new or expecting parents have been affected, table 17 shows that nearly one in three (28 per cent) observed that some employees had been affected negatively in their careers.

Table 17. Respondent observations as to whether opportunities for career progression had been affected for new or expecting parents



Survey respondents were also asked whether they believed their parental status had ever affected their chances in seeking employment, to which 21 per cent answered “yes”.

To a similar question about whether parental status had ever affected their career progression, 23 per cent responded that it had.

A total of 35 per cent of respondents reported having taken parental leave at some stage in the past.

Parental leave and the law

Survey respondents were asked whether they thought parental leave should be mandated by legislation, to which nearly three out of four (74 per cent) agreed it should.

More than nine out of ten respondents (93 per cent) indicated that parental leave for mothers be mandated for 6 weeks or more:

- 13 per cent opting for 6-8 weeks
- 29 per cent for 10-12 weeks
- 30 per cent for 12-16 weeks
- 21 per cent for more than 16 weeks.

By contrast, on the issue of parental leave for fathers, nearly half the respondents (47 per cent) indicated that between 2-4 weeks be provided, with approximately one in three (34 per cent) saying somewhere between 6-16 weeks be provided. Table 18 sets out the full set of preferred numbers.

Leaving aside the totals under “Other” for mothers and fathers, the mean average number of weeks preferred by respondents for mothers is 12-16 weeks and for fathers is 2-4 weeks.

Table 18. Preferred number of weeks to be mandated by legislation for mothers and fathers

If PAID parental leave were mandated by legislation, how many weeks should be provided?

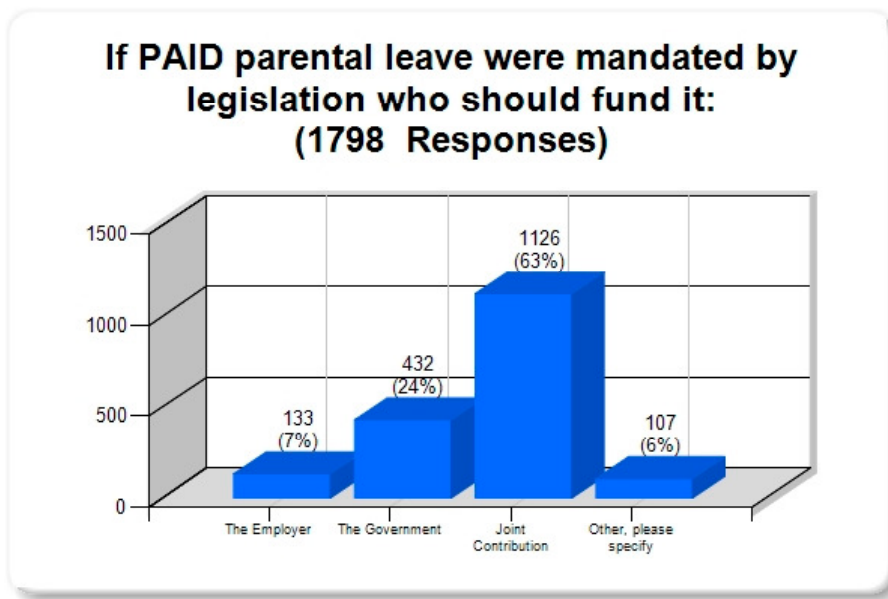
(1752 Responses)

	2-4	6-8	10-12	12-16	16+	other
For Mothers	72 (4.10%)	236 (13.43%)	509 (28.97%)	521 (29.65%)	370 (21.06%)	44 (2.50%)
For Fathers	819 (46.61%)	241 (13.73%)	184 (10.47%)	170 (9.68%)	112 (6.37%)	113 (6.43%)

On the issue of how mandated paid parental leave should be funded, table 19 indicates that the majority of respondents (63 per cent) prefer a joint contribution model from government and employer.

A sizable minority of respondents (24 per cent) indicate that government alone should fund paid parental leave, while a small minority (7 per cent) indicate that employers should fund it.

Table 19. How mandated parental leave should be funded



RESPONDENT COMMENTS

There were many thousands of comments by respondents to this survey that supplemented the quantitative results. Appendix 1 sets out a representative sample under the following clustered headings:

- National interest and personal interest
- Equity and discrimination
- Childcare
- Returning to work
- Management and parental leave
- Paternity leave versus maternity leave
- Parental leave in other countries
- Funding
- Parental leave and backfilling
- Small business and parental leave
- Effect on attraction and retention of staff
- Part-time and flexibility
- Effect on career progression
- Mandating parental leave by law

In addition to general respondent quotes, there were comments on particular questions, including what role AHRI should play in the parental leave debate. A representative sample is set out in Appendix 2. The majority of respondents put the view that AHRI's role is to seek the views of practitioners and disseminate the pros and cons into the public arena for the benefit of the profession, without taking a partisan position on the topic. A minority argue that AHRI should take a strong view and lobby for it publicly and with government.

CONCLUSION

While around two out of three respondent organisations in this *HRpulse* survey offer paid parental leave to employees in some form and at least 70 per cent of respondents whose organisations offer paid parental leave consider the benefits outweigh the costs, the survey results also reveal a significant minority of respondents who question, on principle, the wisdom of paid parental leave.

In addition, even among the proponents of paid parental leave, the responses in the qualitative data display a sharp disparity of views about the most effective paid parental leave model.

Some respondents accept the rationale behind the impetus for improvements in parental leave in that they see the national interest being served on economic grounds by an increase in the Australian birth rate, especially in light of an alarmingly ageing workforce.

Those respondents accept that parents in the workforce have a special case, in the national interest, which over-rides some issues of equity. Many of those respondents also accept that it is in the national interest to create conditions that enable children to be raised in social and family settings that are likely to produce adults who are positive and productive citizens rather than unhappy and anti-social.

Other respondents, some parents themselves, take the view that matters of equity should prevail and that there is no justification for discriminating in favour of parents in the workforce, and they express that view forcefully.

A number of male and female respondents take the view that while maternity leave may be difficult to justify as a mere “women’s” issue, the proposals for parental leave take into account both paternity and maternity leave. While male respondents tend to take the view that paternity leave offers a degree of personal fulfilment previously denied them as working fathers, female respondents tend to advocate the paternity leave case on the basis of the father providing assistance to a recovering new mother or to enable a mother to resume a career and leave the father to rear the young child at home.

A view also advanced is that availability of affordable childcare and employers that offer genuinely flexible return-to-work options, are more significant issues than paid parental leave. A number of respondents cite examples of companies with sound policies and enlightened rhetoric that is not matched by the responses of individual managers and business units when the time comes for action on flexible work options.

Given the findings of this study with respect to the respondents who observe that a relatively large proportion of mothers return to work from organisations that offer paid parental leave (67 per cent) compared with mothers on unpaid leave (39 per cent), there is a strong business case to offer paid parental leave. On the data from this study, and noting that the replacement of staff who leave an organisation or who do not return to work after taking leave is a prohibitive cost to business, it is clearly in the interests of employers’ bottom line to favour a paid parental leave policy over an unpaid leave model. The data and the illustrative example set out on page 10 would suggest also that, in the absence of other considerations, employers stand to gain from the adoption of a paid parental leave policy.

For the same reason, it might be expected that employers would see it in their interests to invest energy into fixing the transition arrangements for mothers returning to work, with almost half the respondents (40 per cent) agreeing they are below par. It would appear on the face of it that either employers have not sought a business case on these matters or, if they have, that the case has not been persuasive. That is a challenge for HR.

A number of respondents suggest that we can learn from paid parental leave models they have seen working in other countries. Others argue that an employer’s guarantee to keep a job open is more useful than paid parental leave, and that Australia should not necessarily be too swayed by what other countries are doing.

On the question of how to fund paid parental leave, only 7 per cent of respondents believe it should be an employer responsibility, nearly one in four (24 per cent) believe government should fund it, while the majority of respondents (63 per cent) prefer a joint-contribution model.

A number of respondents make the point that many mothers change their minds about their intention to return to work and do not come back as arranged after the period of leave ends. For that reason many believe employers should not fund the leave.

Various insurance, tax-based and bonding models are proposed by respondents to fund a paid parental leave system, and it's compared favourably in most cases to the baby bonus scheme presently in operation, though some note the latter also assists parents who are not in the workforce.

On the question of organisational impact, there is a widespread view that small business would not cope with an employer-funded paid parental leave model, and that it may have the undesirable side-effect of dissuading small employers to employ women of child-bearing age.

A total of 80 per cent of all respondents believe that a paid parental leave policy is significant to some extent in attracting good candidates to the organisation, and that figure is borne out in the qualitative responses, some noting that the loyalty it wins assists in retaining good employees as well as recruiting them.

The written responses on flexibility cover the spectrum of situations and include parents who are very satisfied with the return-to-work arrangements as well as those who are simply offered a part-time fraction to complete a full-time job. Other respondents, especially women in executive and managerial positions, find that part-time options don't work in practice and they are forced to make career compromises. Some are philosophical about that and others express anger and disappointment.

There is little doubt that the Government will decide on a model for paid parental leave that will complement its National Employment Standards and become part of Fair Work Australia. This research study is some indication of the great number of perspectives that will need to be taken into account and a solution found that is fiscally responsible and finds a balance between equity, fairness and the national interest.

APPENDICES

Appendix 1: General Respondent Comments

Some thousands of comments were received by respondents to this *HRpulse* survey. The samples that follow are indicative, in each case, of a cluster of representative comments related to aspects of the discussion.

National interest and personal interest

"My personal experiences have been positive ... I had access to 8 weeks paid leave the first time and 12 weeks the second time and was able to take it at half pay. Particularly with the second child, the ability to stay home longer and be with my child was a fantastic experience and one that should be available to all new mothers."

"I don't believe that I, my employer or any other organisation should pay for my personal decision to have or not have children (I also don't believe in the baby bonus for the same reason). I believe that I should be paid for the value of my work, not for my personal circumstances. I acknowledge that women have children and need time off to recover from the birth, but don't believe that I should pay for that decision. If you can't afford to take time off, you can't afford to have children."

"In a country where parents are encouraged to contribute to the population, I feel that legislation would certainly go a long way in assisting working parents to seriously consider adding to the country's population."

"I don't believe that it is an employer's responsibility to 'fund' the birth of children. Parents choose to have children – they are not 'forced' to have children. It is up to parents to work out how they will finance that and what they will do. If the Government sees a need for more people in the country, then they should fund it. Organisations provide the jobs for parents to earn the money to support their families. When compared to other countries, Australia's maternity leave provisions are far greater in terms of time off."

"I believe that the bulk of parental leave should be covered by the Government. They could maybe levy employers to cover some costs but at the end of the day this is an issue for us as a society to support."

"Employers shouldn't be expected to subsidise the breeding program of their employees."

"Proper bonding with children and the establishment of normal socialising is important to the future wellbeing of parent, child, and ultimately society as a whole."

"Many young people today are going through a financial crisis and simply cannot afford to have children, or have to return to work immediately after a birth. Leaving a 2-month old baby in the care of a stranger is not only heartbreaking for the parents, but will affect the child and eventually society too. A mother deserves to bond with her child and spend at least the first 6 months making this life changing adjustment at home with her baby. With the cost of housing, groceries and petrol, not many women can afford to stay home any more. A child being brought up in a comfortable, nurturing environment will not only benefit them, but society in general. How any mother is expected to be up at 5am to feed, bath and clothe her baby before getting herself ready followed by dropping the child off at childcare then off to work to repeat the whole scenario in reverse at the end of the day and then only have 6 hours sleep is beyond me. If you can't afford it then don't have children, they say? We'd have a seriously ageing population then because in the current financial situation, fewer people can or will be able to afford children. It shouldn't be a luxury to be able to afford a child."

Equity and discrimination

"I am a senior HR practitioner and in my experience people use parental leave for their own ends then leave anyway. We need to be clear about why this idea is being proposed. I do not accept the view that people 'need' two incomes to live any more, except where they are on very low incomes. The truth is that they need two incomes to maintain the lifestyle they want. This is not something the taxpayer should pay for. Everyone I know would have taken the same amount of time to be with their newborn with or without paid leave – of course, they will gladly take the money – who wouldn't? In addition, the fact that we are the only OECD nation not offering paid parental leave is, in my view, a sign that we are not sheep who follow blindly. It is no reason to change our policies. As a final note, bear in mind that the majority of HR practitioners are women, most of whom will benefit financially from this proposed change, so don't expect an impartial view from this audience."

"I think that parental leave is a great benefit for employees of large companies and government departments. I am not sure how SMEs could fund it. If it was mandated by law most SMEs will stop hiring women of child bearing age."

"Paying just parents creates an environment of discrimination. Why then should people who choose not to have children or cannot because of circumstances not receive the same benefit?"

"I do not believe employers should be compelled to fund parental leave as it will cause them to treat females in that age group differently in the recruitment stage. For small business, the burden would be too great. When I went on maternity leave, a very young girl in my office also went on maternity leave. She was living with her parents, but because she was 'single' she was supported with a pension from the day she left work. As I was married, I was entitled to nothing – yet had a mortgage to pay and all the normal household bills. If the government is willing to support single mothers, why not also support those with partners?"

"I like the concept of the baby bonus in Australia as a government initiative to support new parents rather than paid parental leave. This money can be used to supplement income or for other expenses depending on individual circumstances – instead of only benefitting working mothers."

Childcare

"It is not paid parental leave that is the issue, it is the provision and cost of childcare for returning parents. 14 weeks pay is insignificant compared to what is paid in childcare. Tax breaks and subsidies for childcare are the real issues."

"The difficulty is not when you are at home. The costs and access to childcare for returning to work are the thing that impacts on one's capacity to return to work."

Returning to work

"I previously worked for a company that offered 6 weeks paid leave and an additional \$45 per day upon return for every day that the returning employee worked towards childcare/expenses. This seemed to work extremely well in retaining staff – was a key attraction tool in recruitment of female staff."

"Since introducing paid parental leave we have enjoyed a high rate of return – 75% plus."

"To keep a role open and organise a return to work within certain timeframes is already a significant concession made by the employer."

"I was pressured to return to work after 12 weeks to retain my job and then experienced discrimination when I returned part time. It was a case of the policy and practice being completely different. Ironically, it was the female executives who were the worst at supporting new mothers."

Management and parental leave

"I get very cynical when reading of 'employer of choice' companies promoting their family friendly culture knowing that the reality is very different. HR can develop the best policies and benefits but unless line management supports them the take-up will be minimal. HR has a lot of work to do in presenting solid business cases around this issue. Unfortunately some organisations will be left behind and will only change as some old style managers retire."

Paternity leave versus maternity leave

"Make any provisions the same for men and women. That is the only way it has a chance of being a parenting issue and not a women's issue."

"We allow staff to convert some sick leave for their paid paternity leave provision – I think this is a fair means of providing pay in these circumstances."

"As a father, I did not have the opportunity to take leave in those important first few weeks of my sons' lives. I wish I had."

"Parental leave did not exist when I had my family. I wish it had. It provides job security and consequently monetary security. Fathers should have equal opportunity to take parental leave at a separate time – as more and more females are now professionals or have careers they studied hard for. I felt discriminated against in that my career path was affected purely because I was the only gender who could have babies. Fathers should take more interest in raising children. Education is now about equality. As a society, we need to practise what we preach."

Parental leave in other countries

"25 years ago in the UK, I was able to take 12 weeks of maternity leave on full pay and 12 weeks on half pay. Australia is way behind other parts of the civilised world in maternity leave entitlements."

"I come from Canada where 12 months paid parental leave is funded out of government unemployment benefits and that seems to work well."

"We should consider the Canadian model of funded paternity leave via employee insurance-type contributions."

"My wife went on maternity leave in another country. She was paid two thirds of salary (up to a maximum ceiling) by the government and one third by employer for a total of three months."

"When compared to other countries, Australia's maternity leave provisions are far greater in terms of time off."

"Look at Sweden and the system they have in place."

"I worked in Europe for a number of years and had first hand experience of colleagues having paid parental leave for up to 52 weeks. As we were a small company, we received a reimbursement of 95% of the parental leave costs from the government and the employee's payment came out of their previous national insurance contributions (put very simplistically). When the regulations came in regarding the right to flexible working on return from parental leave, this was often seen as a tangible way to retain great staff."

"Why is Australia so far behind our European counterparts e.g. Norway, France? Why not model on what they do?"

"I have worked and lived in the UK, Belgium, Holland, Sweden and now Australia. I specialised in offering career advice to professional women, and Australia's current status is of concern"

"The company I work for has offices in 11 countries. Australia is the only country that does not have government subsidised paid maternity leave."

Funding

"A HECS type payment system may be more affordable for the country."

"Government should provide a minimum level of paid leave which could be increased by individual employers via individual or collective agreements."

"Scrap the baby (plasma TV) bonus and use it to help pay for government funded parental leave. Government should provide a base rate of paid parental leave, which could be supplemented by the employer if the employer wished to do so. This would ensure that all employees have access to some paid parental leave, and allow companies to use the additional payment as a means of attracting and securing the best employees."

"Employers should not fund parental leave. It is very difficult for a new parent to make any commitment to ongoing employment as priorities change with the arrival of a child. In my personal experience and with employees, the commitment to a career has changed significantly, and the end result was different to what was intended immediately before the arrival of the child."

"Mandated paid parental leave should at least be jointly funded by government and employers, or by the government. This would help to prevent organisations (particularly smaller ones) from ceasing to hire women of child bearing age due to the financial burden this may cause."

"Working in a female dominated industry I have observed that the Government funded baby bonus payments have meant we have had a greater number of women having children."

"I don't believe that paid parental leave is the role of the employer. I also think that if paid parental leave is provided that there needs to be an equal period of time that the employee must bond to an organisation or pay back the money to ensure that businesses get a return on investment."

"The Government should pay. We all pay enough taxes to have 3-4 weeks paid maternity leave."

"The Government should provide a base portion and this should be topped up by the employer."

Parental leave and backfilling

"When I took parental leave in the 1980s arrangements were highly restrictive: three months paid leave and no option but to return full-time. Payment of maternity leave was not made until after three months had been completed. I think the pendulum has swung too far the other way and as a manager coping with very large numbers of women in their child-bearing years (there will have been 21 pregnancies in 10 years in my workplace, some of which have been second pregnancies) it becomes increasingly difficult to find meaningful roles for part-time workers while maintaining a high level of service to clients. Maternity leave provisions tie up positions long-term and it therefore causes problems for replacement staff who have to stay on contract positions for many years. My organisational unit is in danger of being staffed primarily by part-time or contract staff and turnover of the latter is ongoing."

Small business and parental leave

"Small employers cannot afford to fund paid maternity leave, especially if they have to fund a backfill as well."

"Small employers could not afford to fund paid parental leave and it could result in some companies not employing women."

"I manage a very small organisation with a high percentage of females of child-bearing age. Paid parental leave funded by the employer would effectively close the business down if multiple females took leave at the one time."

"Joint contribution (to funding parental leave) would be good, but small business could never afford it and therefore would not be able to compete for talent"

"The ability of small businesses to pay parental leave to employees needs to be taken into account. As a previous owner of a small business employing 7 staff, my business would not have been viable if I had been required to pay parental leave to employees."

Effect on attraction and retention of staff

"I'm currently on unpaid parental leave and disappointed that the large organisation I work for doesn't offer paid parental leave. I will be considering employment elsewhere during my time off."

"Can be difficult to manage in workplaces with high percentage of younger women; however my experience is that the support is appreciated and if followed up with additional support for part-time or other family friendly flexible working arrangements can bring great benefit to the team in terms of retention and loyalty."

"Endorsement from my management for taking parental leave meant that I wanted to give back to the organisation – quid pro quo."

"Having worked in the UK, the option for elements of paid and unpaid parental leave is extremely beneficial for retention purposes."

Part-time and flexibility

"I am currently on parental leave (the baby is 1 week old) for the 3rd time with my current employer. With my 1st child I was ineligible for paid maternity leave as I had only worked there 7 months. The 2nd time I was paid 8 weeks and this time it was unpaid as I had only been back at work for 10 months – there is a requirement for 12 months continuous service to be eligible for the paid component. This is difficult for family planning. That said, the company has been very good in allowing me to return part time (3 or 4 days a week) and has promoted me in this time while remaining on 4 days a week. I have had an excellent opportunity to progress my career while working part time and growing my family. This opportunity should be in place for more women."

"In the absence of an employer providing paid parental leave, there must be other factors contributing to an employee's desire to return to work. My workplace has been particularly favourable in allowing me to work from home on occasions and to have fantastic flexibility in work days and when needed, work hours. This in some respects may provide the balance between an employer who offers paid leave and an employer who doesn't."

"There is little understanding that part time hours mean exactly that. When you don't have childcare at your disposal you can't just come in on one of your normal days off. You cannot attend work social functions, not because you are a bore but because you have to be home. I often feel on the outskirts of the team because I can't partake in social activities or be involved with numerous aspects of the working environment. You are expected to achieve a lot in a few hours. I probably get more done in my 2 days than some people do in 4 as I am conscious that I feel can't engage in Monday morning chat and nip out for coffees."

"My personal issue is that I returned to work 4 days, but my duties were not reduced. I am expected to do 5 days' work in 4 days."

Effect on career progression

"When I had my son 13 years ago I chose to resign my position as group HR manager for a top 500 company as I felt it was unfair for a company to hold open such a critical position, especially as I had not made the decision as to whether I planned to return to work – in fact it was my goal not to return full-time as I felt I could not adequately do justice to both a senior management role and being a good mother. I still hold that view. Unfortunately I am now a single mother and am required to work full-time to support my family, as are many other parents single or otherwise. A flexible workplace is essential to enabling parents to provide the support to children that they need to thrive. I don't believe paid parental leave will be the reason management level parents will choose to have children – in their case it is more about flexibility and the disruption to career path. For lower income families paid parental leave may have the desired effect of encouraging more Australians to have children – an important strategy for Australia's future with the current declining population growth."

"My role, like many others, was 'restructured' while on maternity leave. I found a lower level job with another employer on a part-time basis and my career suffered as a result."

"The choice to have children should be made independently of the choice about one's career. The two are mutually exclusive."

"In a male dominated workforce I found when I was pregnant my career progression took a dip. I was no longer required to travel (although I could up until 32 weeks), and I was actually advised that the reason I only got a CPI wage rise was because I was pregnant and they didn't want to pay my annual leave at a higher rate! Luckily the same person who told me this has now rehired me at a new company and is paying me \$20k more than I received then."

"I do not feel that my chances for career progression are limited at my current firm but I left my previous job because I was required to return to work full-time and I only wished to return part-time."

"Working part time now after becoming a mother has certainly made it harder for me to get work at the senior level that I have previously been able to enjoy, however it is my choice to do this. Paid leave may help retain women, however it does not guarantee that the organisation will be able to utilise their talent as effectively as before because working part time does restrict a mother's ability to contribute her time."

Mandating parental leave by law

"If paid parental leave becomes mandatory I believe that there should be joint funding arrangements in place because the cost on employers would be considerable and discrimination would increase, i.e. there would be some employers who would choose not to employ women of child bearing age because of the added cost implications (both time and money)."

"Although I believe that paid maternity leave should be funded by the employer, I don't believe it should be mandated, as small employers would have difficulty paying it and some would avoid employing women of child bearing age."

Appendix 2: Respondent Comments – What role should AHRI play?

Respondents were asked what role they thought AHRI should play in the parental leave debate. Approximately 900 provided written responses. The edited sample below is indicative of representative comments.

"Outline clearly the cases for and against and communicate."

"Maintain a neutral stance and ensure fair representation of the employer perspective – the M in HRM stands for management."

"Support paid leave. Use the results of this survey to take the people's voice and influence."

"Provide a balanced representative view of members' opinions."

"I think AHRI has a key role in encouraging business to see the benefits of promoting paid maternity leave and accessible part-time options (not just for lower level positions). We need women in the workforce, men have a case for having more flexible options (they are parents too), and as a society we need to keep producing children. I think AHRI should be promoting the businesses who do this well – particularly at the senior levels. It's going to take a long time to change the prevailing attitudes and workplace cultures."

"AHRI should present an evidenced-based argument in support of a scheme that is jointly funded by employers and the federal government."

"We should focus on return to work and child care facilities more than paid leave as these are what working families really need. Most Asian countries have mothers returning to work after 12 weeks, not one year. Technology and company changes so much in one year it's hard to return to work and it would be better to return earlier with more support offered."

"I think AHRI should provide a balanced view of the debate, not just look at things from the staff member's point of view, but also from the manager's perspective. I feel strongly that paid maternity leave should be available, but the implications are not always fully articulated for fear of being seen as discriminatory."

"Take an evidence-based approach. Be systemic in outlook. Consider knock-on effects (e.g. I would have to increase my consulting fees as wages are my biggest input cost). Look at the small guys as well – where most Australians are employed."

"I think AHRI should be in a position to advocate for the benefits of paid parental leave based on the views of its members."

"AHRI should take a leadership role. This is a critical nexus between work and life and one which influences workforce capacity and the standard of living for people. Be bold and explore the commercial, societal and moral arguments for resolving this issue once and for all. This is not and should not be a political issue."

"Continue asking the questions and the answers will come."

"Provide the arguments for and against plus implementation support."

"Provide awareness of facts and trends."

"Be a policy contributor through development and assessment of policy options – similar to the role of other lobby groups such as BCA and ACCI."

"This is a very emotionally charged debate and AHRI has a role to play in providing information from HR professionals who are often at the coalface of organisational experiences in this area."

"AHRI should work with the Government on gathering and analysing statistics from a large range of businesses in order to be able to sell a benefit to organisations. It would be very interesting to see the statistics on how many senior women's roles were restructured in their absence. We should then educate and demonstrate with ROI figures that looking after female workers makes good business sense."

"Provide information on other countries, especially in western countries where there are professional organisations such as AHRI where you can easily get the necessary information on their practices in much more detail. Provide results from surveys such as these."

"Communicate the views of practitioners, including the results of this survey."

"Comparisons with other countries with better policies really don't have an impact here. The 'feel good' factor doesn't wash. We need statistics and \$ benefits (retention, competitive advantage etc) of these types of policies."

"AHRI should be lobbying the government to make it a scheme which doesn't penalise small business or any business. This is a private matter which individuals or couples should be planning themselves and not being bailed out by business."

"Promoting debate on various options and promulgating results of surveys such as this one. Taking the higher ground and looking at the bigger picture."

"AHRI should provide information and options but not take a fixed position."

"None whatsoever!"

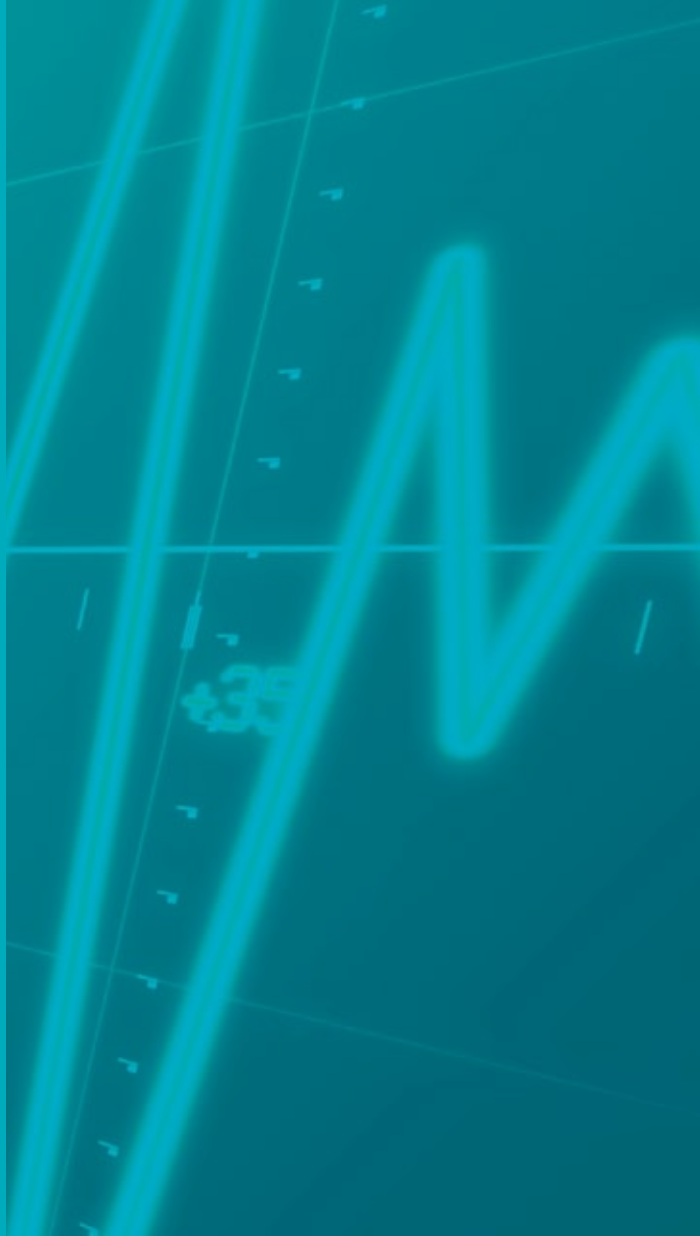
"Lobby for paid leave, with a basic provision by government and top-ups by organisations."

"The role of AHRI as a body representing industry and best practice people management is to contribute to the emergence of a balanced view of how the needs of industry and people can be met in determining good policy around a topic that has the potential to be hijacked by political point-scoring and self interest."

"As you are doing now – gauging the practitioners' majority views."

"Publish data on pros and cons so that AHRI members are aware of spectrum of options."

"Advise government of HR opinions and educate HR people on best practice arrangements."



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