



Women are the Business
Season 1: Episode 1
Paid Parental Leave – Who Cares?

Sophie Thomas: As any working parent will tell you, having a child can make life really complicated. I'm Sophie Thomas and this is Women are the Business. Today, we're going to be talking about paid parental leave. It's a high stakes discussion that captures our working and home lives and how they intersect. This one piece of policy has impacts on society you may not realize. We'll find out how it came about, why it's important and where we go from here. To find out more, we'll be speaking to the woman who drove the fight for family friendly policy in Australia, tackling some hefty cultural and economic hurdles along the way.

Jenny Macklin: I'm Jenny Macklin. I'm now a vice chancellor's fellow here at the University of Melbourne in the School of Government. Most people would know me and still pull me up in the street and so on because I was a member of Parliament for a long time. I was there for 23 years, am still at this point in time the longest serving a woman in the House of Representatives.

Sophie Thomas: Raised in regional Victoria, Jenny moved to Melbourne to study economics here at the university. After graduating, she had a successful career as a researcher and policy advisor before deciding to take the leap and put herself forward as a candidate in the 1996 federal election. She went on to become a senior minister under two prime ministers, Kevin Rudd and later, Julie Gillard.

Jenny Macklin: I really saw myself as coming into the parliament to carry the banner, if you like, for social justice that inside the labor party and in the Parliament would really stand up for the most disadvantaged people in Australia, people who really don't have a voice themselves and don't have powerful people representing them. So I was very clear that that's what I was there for.

Sophie Thomas: For Jenny, one of those groups was working parents who didn't have access to leave after childbirth or couldn't afford to take unpaid leave.

- Jenny Macklin: We had some shocking examples come forward of mothers who had to go back to work. They were working in fast food. They'd be at the front counter or cooking the food in the kitchen. The baby, the newborn baby, would be in the back room. The mother would be looking after the food, serving in the shop, looking after the baby, unable to take any leave at all, not able to take time off to really recover from the birth. Many mothers it can be a difficult time physically and emotionally.
- Sophie Thomas: It was problem Jenny's family had experienced firsthand.
- Jenny Macklin: There wasn't any paid parental leave when I had my first baby. So my partner, he was a math teacher and he decided he would take a year off, and he said to the education department, could he have unpaid leave for a year? They said, no. So he said, oh well if you don't give it to me, I'll resign.
- Sophie Thomas: The threat changed their mind, but they still only gave Jenny's husband unpaid leave. Luckily their family could afford to have a parent at home without pay and later, once Jenny arrived in the public service, she got three months paid leave when she had her second child. But the earlier experience stuck with her.
- Jenny Macklin: That experience really cemented in my mind just how important it is for mothers and fathers to be able to have time off with pay so that you can spend those very, very important few early months with your baby.
- Sophie Thomas: Jenny used her time in Parliament to develop one of her signature policies, Australia's first national paid parental leave scheme, the government funded payment that everyone could access after having a baby. Jenny had been thinking about it for a while, but things came to a head in 2007
- Kevin Rudd (Archive): A short time ago, Mr. Howard called me to offer his congratulations. I will be prime minister for all Australians.
- Jenny Macklin: By the time we won government in 2007, we'd made a commitment to have an inquiry into a paid parental leave for working parents. We got elected. I was the minister, the national foundation for Australian women were really lobbying for this inquiry.
- Sophie Thomas: Things were looking good, but then the global financial crisis hit. The government had to turn its attention to saving jobs and stimulating the economy. It was an unlikely time for a massive government payment scheme, but Jenny was persistent.
- Jenny Macklin: I also really wanted paid parental leave, so I have to say, it was unbelievably difficult, but Kevin Rudd, as the prime minister at the time, finally agreed that we would do it, and so we were able to then announce it and then take the next 18 months or so to do all the technical work to get it ready. And then in 2011 it started.
- Sophie Thomas: Australia was very slow to get moving on paid parental leave. Before the legislation was passed in 2010, Australia was one of only two developed

nations that had no government funded policy for paid parental leave. It was just us and the United States, which still to this day has no universal policy in place. Previously, you only had access to paid leave if it was provided by your employer. Now, families are entitled to 18 weeks paid at minimum wage with the idea being that this can be shared between partners. A few years after introducing the scheme, the government launched dad and partner pay offering secondary care as two weeks off work at a minimum wage. Paid parental leave had been on the policy radar since the 1970s largely driven by the unions, but when it came to getting anything implemented at the federal level, there were some major challenges Jenny and her colleagues had to overcome, including culture clashes between working mothers and stay at home parents. Jenny believes these divisions were fostered by the previous government.

Jenny Macklin: In my view, one of the things that John Howard did that was really destructive was the way in which he created various culture wars. People are very familiar with what he did on the issues of race relations, particularly between Aboriginal people and to other Australians. Asians not denouncing Pauline Hanson, so it was a very difficult period. He did the same with stay at home moms and working moms, which just enraged me. I think all moms should be able to think about the sort of support that they can get when they become new parents, and I thought the way he set one group of mothers against the other was really just terrible pace of politics.

Sophie Thomas: But nine years on, paid parental leave has become part of the landscape and attitudes have changed.

Jenny Macklin: These days, the vast majority of new parents are all working. People take time off, but they all see themselves as taking time off from their work. There are still some people who want to stay home for a while, but it is no longer seen as a culture war, I don't think. I think people are having much more mature attitude about supporting parents in their choices and particularly for me, the group I wanted to make sure got paid parental leave where those who weren't getting anything from their employers and who had to work. So I really, really wanted to deliver for them. And the evaluation shows that too we've really helped lots of other people too, but I was very, very pleased about that.

Sophie Thomas: So what does paid parental leave done for parents, particularly working mothers?

Guyonne Kalb: My name is Guyonne Kalb. I'm a professorial fellow here at University of Melbourne in the Melbourne Institute of Applied Economic and Social Research.

Guyonne Kalb: So I'm really interested in finding ways to introduce policies that help women making decisions that will give them that financial security over their lifetime.

Sophie Thomas: Guyonne was part of the team asked to review the impacts of the new paid parental leave policy. In 2010, before the scheme was rolled out, they

interviewed parents and then followed up in 2011 to find out if anything had changed. They found families, particularly those with low incomes, saw significant benefits.

Guyonne Kalb: Giving 18 weeks at a minimum wage in terms of paid parental leave, you would expect that families take more parental leave, and they did. What was really interesting was to sort of look at differences between different groups in the population. So we had the women that already had access to the employer provided paid leave and women who didn't have access to any paid parental leave and could really see that the women who didn't have access before were affected more as you would expect because for them it was a much bigger change than for women that already had some paid parental leave, and so that meant that a lot of the more disadvantaged women would now be covered as well and could take maternity leave while being paid, and that can make a real big difference, especially for lower to middle income households where the secondary earner's income might be quite important. And it basically allows them to take enough maternity leave in terms of looking after their own health and also after the child's health.

Sophie Thomas: The policy also had some unexpected results.

Guyonne Kalb: Women were taking a longer period of leave, but then we looked at women one year after having the child, we found that a large proportion had actually returned to work. And that's not something that you would be able to predict from the way the policy was set up.

Sophie Thomas: Guyonne found that paid parental leave policy helped women keep a connection to the workforce and reenter their old roles.

Guyonne Kalb: There were no financial incentives to return after one year. And so we do see this in other countries as well. So the other policies have found similar effects that paid parental leave seems to strengthen the connection between the employer and the employee. I mean, the financial side is important, but I think a lot of people also work because they feel valued in their workplace and I think the paid parental leave in some ways said it's okay to take a few weeks off, we understand, we understand that you need to sort of recover, be with your child, but we will be really happy if you would come back afterwards.

Sophie Thomas: So businesses have seen positives through retaining talent and women have been more easily able to maintain their careers. But you may be thinking, what about men?

Jenny Macklin: I was really conscious of it. I wanted to make sure that it was paid parental leave. I did want to make sure that we acknowledged that mothers give birth and need to recover, but I also wanted the scheme to be transferable between parents. That's one of the disappointing things that the evaluation shows that actually in the vast majority of cases it's not transferred. In the vast majority of families, the mother is taking the leave, not the father. I'm sure that is because of the wages gap between women and men. So I think

that money is a big issue, but I also think culture, it is still pretty unusual for men to take time off.

Sophie Thomas: Data from the Australian Bureau of Statistics reveals that around 95% of paid parental leave is taken by women. That means only one in 20 dads are taking primary care leave, and research shows this isn't necessarily because fathers don't want to take time off to care for their babies. In fact, many of them express desire to be more involved in raising their children, but lack of structural support and cultural norms around men's involvement in paid work can act as barriers to fathers taking paid parental leave.

Guyonne Kalb: I think the culture is a little bit stagnant at moments. I think there's not that much push. I think for further development, and it might be from some groups, but then there's other groups that sort of oppose that again, and so I think if you want to move forward, I think you really need to bring in policies that will perhaps encourage men to take more of the paid parental leave and that will increase the amount of time of paid parental leave for everyone.

Sophie Thomas: University of Melbourne alum Libby Lyons is the director of Australia's Workplace Gender Equality Agency. You'll hear more from her in a later episode. She agrees that men need more support when it comes to parental leave and flexibility at work.

Libby Lyons: Men's requests for flexible work are twice as likely to be declined as women's are. So in order to address the real issues of discrimination that women face in our society, we actually have to address the discrimination and bias that men face in the workplace, and that is particularly around part time work, parental leave, and flexible work because until we manage to address those problems of discrimination, women really aren't going to get anywhere.

Libby Lyons: Think about it in terms like this. If you're in a partnership, in a heterosexual partnership, they have a child and the man is not offered parental leave, paid parental leave, what choice does that give his partner? No choice. This isn't about choice. This is about addressing discrimination and bias that both men face and women face. And to do that, we've got to challenge the way we've all been brought up for the last century or so and it's not easy. It's cultural change, but we got to keep at it and we're all responsible. We can all play a part.

Sophie Thomas: You may be asking yourself when it comes to social change, what comes first? A shift in public attitudes or the introduction of new legislation?

Guyonne Kalb: It's sort of a two-way street so I think you need a certain level of acceptance, of new policies. I think when the paid parental leave was introduced in Australia in 2011, I think the culture was ready, so I think people were very positive about it. It was seen as something that it was about time that it happened. That said, I think that sometimes policy needs to push a little bit as well because otherwise it can take a long time for culture to change. If you as a government believe that it is important for the whole population to

be participating in the labour force, if you want to encourage that, then I think you need to send out particular signals and messages and you can do that by making it more affordable and easier to return to the labour force after having a child.

Sophie Thomas: Other developed nations offer much longer leave, they match your salary, and some even mandate that secondary carers take at least three months, but could a more generous parental leave model ever be possible in Australia?

Jenny Macklin: Yes. I think many of these changes are possible. You have to work within your own cultural environment. So during my lifetime, one of the, well, the biggest public policy change was the introduction of Medicare. Started with Medibank in the 1970s it was very, very hard fought. These days, no one would imagine that we would be a country without a universal health insurance scheme.

Jenny Macklin: Paid parental leave is only, well not even 10 years old yet. I think that it is now firmly embedded in people's minds. I think that young people, I know from my own children and their families that they just see it as normal, but 15 years ago it was not. These cultural changes take time, but I think as your generation has children and they grow up, there will just continue to be an expectation that parents combine work and family responsibilities and so we have to get better at it. Both parental leave, leave arrangements for caring because that's the other thing that happens in life. People get sick and people get older, and so a lot of people have to take time off to care for relatives or you need to manage your childcare arrangements. I think one of the worst areas of childcare arrangements in Australia is before and after school arrangements. Shocking. There's plenty of room for us to improve. Lots of good public policy to do.

Sophie Thomas: Thank you to our guests, Jenny Macklin and Professor Guyonne Kalb. Subscribe to Women are the Business for new episodes every second Wednesday. For more insights on how women work and live, head to our website. fbe.unimelb.edu.au/womenarethebusiness.

Sophie Thomas: Women are the business is recorded on Wurundjeri land at the University of Melbourne. The podcast is produced by Seth Robinson, James Whitmore and me, Sophie Thomas. It's recorded by Chris Hatzis, edited and mixed by Audiocraft's, Camilla Hannan. The theme music comes from Epidemic Sounds.