



australian
nursing federation

Productivity Commission Inquiry
into paid maternity, paternity
and parental leave

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The Australian Nursing Federation (ANF) is the national union for nurses with branches in each state and territory in Australia. The ANF is also the largest professional nursing organisation in Australia. The ANF's core business is the industrial and professional representation of nurses and nursing in Australia.

The ANF's 160,000 members are employed in a wide range of enterprises in urban, rural and remote locations in the public, private and aged care sectors, including hospitals, health services, schools, universities, the armed forces, statutory authorities, local government, offshore territories and industries.

The ANF participates in the development of policy in nursing, nursing regulation, health, community services, veteran's affairs, education, training, occupational health and safety, industrial relations, immigration and law reform.

The ANF welcomes the opportunity to make a submission to the Productivity Commission's inquiry into paid maternity, paternity and parental leave. We wish to state at the outset that the introduction of a comprehensive scheme for the provision of paid leave entitlements in this area is long overdue and should be regarded as a matter of urgency. Nursing continues to be a female dominated profession, with women comprising 92% of all employed nurses. The ANF has long argued for paid leave arrangements pursuing provisions for paid leave in workplace agreements under enterprise bargaining and supporting a national scheme of paid maternity leave in response to HREOC's Paid Maternity Leave inquiry held in 2002. It is well documented that as a country, we have made little progress in advancing the case for work and family provisions in general and paid maternity, paternity and parental leave entitlements in particular. It is time to take this important step and establish a universal system of paid leave entitlements.

The ANF supports the following proposal:

A national parental leave and payment scheme reflected in a new National Employment Standard providing at least 26 weeks paid parental leave, at ordinary time earnings including payment of 9% superannuation available to all primary carers, and a parental payment indexed to the federal minimum wage including payment of 9% superannuation to primary carers not in the workforce.

The scheme should be funded through a combination of both government and employer contributions with two thirds funded by the government and one third by the employer in the case of primary carers in the workforce. Funding for primary carers not in the workforce will be through government provision.

The ANF supports a parental leave scheme for primary carers, recognising that women will require leave following the birth of a child and will, initially at least, usually be the primary carer but also recognising that any scheme must reflect contemporary community attitudes and be capable of adapting to a far greater variety of working arrangements and family circumstances present in our community

today. We urge the Productivity Commission to seriously consider whether the traditional framework of paid leave arrangements should continue to be used as the basis for a scheme to be established now and who knows for how long into the future.

This is an opportunity to put forward an approach that genuinely supports and facilitates the important objective of improving opportunities for both women and men to achieve a better balance between work and family life and more equitable arrangements at work and in the home.

Demographics on the employment of nurses

The latest published data for the nursing workforce is found in the Australian Institute of Health and Welfare (AIHW) publication *Nursing and Midwifery Labour Force 2005*.

According to the AIHW, there were 285,620 nurses licensed¹ in Australia in 2005. Of these, 230,578 (81%) were registered nurses and 55,042 (19%) were enrolled nurses.²

Not all licensed nurses are employed in nursing, however 89.7% of registered nurses and 87.4% of enrolled nurses are in the nursing workforce totalling 254,956 nurses. Of these 95.8% were employed in nursing; 1.2% were looking for work in nursing; and 2.9% were on extended leave. Of those nurses not in the nursing workforce, 45.7% were not employed; 47.6% were employed elsewhere; and 6.8% were overseas.³

The 2005 data shows that the largest proportion of nurses were employed in clinical practice (91.2% of registered nurses and 91.5% of enrolled nurses).⁴ Of these, 31.5% were employed in the clinical practice areas of medical and surgical nursing; 15.3% were employed in gerontology; 14.4% in intensive care; 8.4% in maternity care; 7.5% in operating theatres; 6.3% in community health; and 5.7% in mental health.⁵

Approximately 59.0% of employed nurses work in public and private acute hospitals; 13.3% in residential aged care facilities; 9.0% in a community setting; 4.3% in psychiatric hospitals/mental health services and 14.4% in other nursing areas.⁶

Two thirds or about 62.6% of all employed nurses work in capital cities or metropolitan areas; 31.2% in rural centres; and 2.2% in remote areas. Nurse numbers in rural areas and remote areas rose by 15.7% and 13.3% respectively while population growth was 2.9% and 0.6% respectively.⁷

It was estimated in 2004 that there were about 67,661 unlicensed nursing or personal care assistants employed in the private residential aged care sector to assist nurses in the provision of nursing care.⁸

The AIHW reports an increase in the number of full-time equivalent (FTE) per 100,000 population from 1031 (FTE) in 2001 to 1133 (FTE) nurses per 100,000 population in 2005. This was due to both a 7.1% increase in the number of employed nurses and a 7.5% increase in the average hours they worked.⁹ AIHW also report that apparent

changes in supply should be interpreted with care due to changes in the form of question asked about hours of work. It should be noted however that the 2005 FTE figure of 1133 FTE nurses per 100,000 population figure is below the FTE figure for 2004 (1138) and well below the figure for 1989 (1171).¹⁰

The nursing workforce in Australia is also ageing. In 2005, the average age for registered nurses was 45.0 years and for enrolled nurses it was 45.5 years. The proportion of nurses aged 45 years or over increased to 55.3% of the nursing workforce, with 19.1% over the age of 55 years.¹¹

These figures have implications for nursing education and for workforce planning as over 50% of nurses will be contemplating retirement within the next 15-20 years and it is likely they will be those with the most experience and with specialist qualifications or expertise. There has been little change over time in the number of males employed in nursing, with males comprising 7.9% of the total national nursing workforce in 2005 (down from 8.4% in 2001).¹²

Nurses in Australia continue to turn to part time and casual work in an effort to manage their workloads. In 2005, 49.8% of nurses worked part-time (48.2% of the registered nurse workforce and 56.6% of the enrolled nurse workforce).

The average number of hours worked per week however increased slightly from 32.8 hours in 2004 to 33 hours in 2005 (33.3 hours for registered nurses and 31.6 hours for enrolled nurses).¹³

There has been an increase in the number of people completing undergraduate nursing courses each year between 2002 and 2006.¹⁴ However, while the figures are improving this increase is not considered sufficient to meet the demand for nurses now or in the future.

Overview of current paid maternity, paternity and adoption leave entitlements for nurses

The current provision for paid leave arrangements for maternity, paternity and adoption leave applicable to nurses varies depending on a number of factors including the State/Territory in which you are employed, sector of employment, work setting, particular employer, type of employment and length of service.

The source of the entitlements also varies with the majority of provisions negotiated in collective bargaining agreements, state awards, public sector administrative instruments and individual workplace policy documents with outcomes basically dependent on the ability to bargain.

Nurses are more likely to have access to paid maternity/adoption leave if employed in the public sector, where the majority of entitlements include up to 14 weeks paid leave in agreements, (six out of the eight state/territories), the remaining two providing 10 and 12 weeks respectively. All provisions have restrictions on eligibility either in terms of length of service or nature of employment. Five out of the eight exclude all casual employees;

the remaining three providing access to on going casual employees employed on a regular and systematic basis for at least a period of 12 months. In the public sector, provisions for paid paternity leave are more variable; half providing one week, three providing 14 weeks and one providing 14 weeks on a shared basis.

In the private hospital sector, paid maternity leave applies fairly generally, although the period of paid leave is mostly within the 6 to 12 week range with similar eligibility criteria. Unlike the public sector, paid adoption leave entitlements do not necessarily mirror paid maternity leave entitlements. Provisions for paid paternity leave are generally for one week with some exceptions which contain 6 to 12 weeks.

A number of the enterprise agreements covering nurses employed in the residential aged care sector contain paid maternity leave entitlements ranging from 2 to 14 weeks with the average at about four weeks.

Paid adoption leave varies from nothing at all to the same as maternity leave, while paid paternity leave is less likely and where it does exist, is mostly 1 to 2 weeks. It is difficult to estimate what percentage of this sector would be covered by agreements with any paid maternity leave provisions. In some states it is the majority, in others less than one third of facilities would provide any paid leave entitlements.

Similarly, there are hundreds of areas of nursing employment, for example, private medical clinics, pathology clinics and private practice where no paid maternity leave arrangements are provided.

In summary, other than for nurses employed in public sector health facilities there is no certainty of access to provisions for paid maternity, paternity and adoption leave. The majority of public sector provisions provide 14 weeks paid maternity or adoption leave with only half providing similar paternity leave entitlements. All provisions are subject to eligibility criteria and therefore do not provide universal access. The only significant provision in other sectors of nursing employment is in the private hospital sector where a lesser period of paid maternity and adoption leave is available but little if any entitlement to paid paternity leave.

This part of the submission answers particular questions asked in the Discussion paper

Q. Objectives of a paid parental leave scheme?

A number of key objectives should be considered including the following:

1. Support the health and well being of the mother, baby and family members following the birth, providing time for recovery both physically and mentally and an opportunity to establish breast feeding and support maternal and paternal bonding.
2. Support parents and families to build health family relationships that foster better health and development outcomes for children and overall family well being, valuing the role of women and men as both workers and carers.

3. Provide income support and assistance to parents following the birth of a child and facilitate the transitions of parents in and out of the workforce and between different forms of employment at different times.
4. Help to address the disadvantage experienced by women over their life time because of their reproductive role and promote gender equity both in the workplace and the home, providing greater choice for parents and opportunities to better share family responsibilities between men and women.
5. Maintain attachments to the workforce to attract and retain staff but also to facilitate and support the transition of parents in and out of the workforce and between different forms of employment at different times.
6. Recognise as a minimum international standards relevant to family friendly provisions at work including the 1979 United Nations Convention on the Elimination of Discrimination Against Women (CEDAW); ILO Convention No. 183 on Maternity Protection 2000 and Recommendation 191; and ILO Convention 156, Workers with Family Responsibilities, 1981.

Q. What assessment criteria should be used to assess the merits of different models of paid parental leave?

The ANF does not have technical expertise in this area but believes that proposals should be assessed in a broad context examining all the benefits and costs to the community in addition to the benefits and costs to employers.

There are a number of arguments in favour of paid parental leave, some more easily quantifiable in dollar terms than others, but nonetheless should be accounted for in an assessment of the different models.

The Productivity Commission should also consider the costs of not putting in place a paid parental leave scheme against the various models proposed. Australia currently ranks 20th in the OECD for workforce participation rate for women aged between 25-45 years old.¹⁵ The relatively low workforce participation rate in this age group is one factor in contributing to current skills shortage in Australia. As a nation more needs to be done to provide women with opportunities to return to paid work. More specifically in relation to nursing, it has been argued for at least a decade in response to the critical shortage of nurses, that recruitment and retention strategies include paid maternity and parental leave provisions, in conjunction with other work and family conditions of employment. The lack of real progress in this area is no doubt a key contributing factor to the nurse shortage in Australia. Significantly there are 30,000 registered and enrolled nurses not employed in nursing, with almost half of that number not employed at all.¹⁶

Q. For each objective, can you foresee any possible unintended consequences? What could be done to avoid or reduce the impact of unintended consequences?

The ANF does not believe that a scheme which meets the objectives identified would lead to major problems. We do not agree that the example provided in the discussion paper, - that increasing the time parents spend bonding with a newborn can lead to a decline in work related skills is correct, however if it were the case the implementation of counter measures such as supportive policies to maintain connection with the workplace and assist with the transition back to work are important. It highlights the point that a paid parental leave scheme should be seen as one part of a range of measures required to address workplace equity and employment issues and is an important first step towards the implementation of improved work and family provisions, including access to affordable good quality child care arrangements.

Q. Who should be eligible?

Parental payments should be universal, that is paid to all primary carers. Paid parental leave should be available to all primary carers regardless of length of service or type of employment and transferable between parents to enable shared arrangements.

A universal scheme should not distinguish between those in, or not in paid employment. Any such limitation undermines the objective of a scheme to support and help parents in their parenting role and will further perpetuate the uneven and inequitable provision of paid leave arrangements that lead to vastly different experiences and outcomes for parents.

Q. Duration?

The ANF proposes a universal scheme providing payment of at least 26 weeks duration for a range of reasons including:

- This period of time provides income support to the mother who may require time off before the birth and well as a period following the birth to allow time for recovery, establish breast feeding routines and support maternal bonding with the child and assist general family well being. It improves opportunity and choice for women to continue breastfeeding maximising the multiple health and other benefits flowing from that decision. It is well documented that breast milk is the ideal food for infants, containing vital antibodies and nutritional benefits that reduce child mortality and have health benefits that extend into childhood.
- The World Health Organisation (WHO) recommends that infants should be exclusively breastfed for the first six months of life in order to achieve optimal growth, development and health.¹⁷

- While currently not all mothers choose or are able to breastfeed the ANF believes it is important to have in place a national approach to parental leave which constructively promotes and supports this option for women after the birth of a child. For this reason we believe it is not inconsistent with our position that the parental payment be available to the primary carer on a shared basis with the flexibility to adapt to a range of family circumstances.
- Paid leave provisions in other developed countries are continuously improving with the UK now offering 39 weeks statutory maternity pay (paid at 90% of average pay for the first six weeks and at a fixed rate for the remaining 33 weeks). Other examples include Sweden and Germany with 64 weeks paid leave; Norway with 54 weeks; Canada now 50 weeks and Bulgaria two years.
- As stated in the ACTU submission, most OECD countries now exceed the ILO standard of 14 weeks minimum provision for paid leave, noting that Sweden, which has the most generous provisions has the highest female workforce participation for women of child bearing age in the OECD group, while Australia, without any national paid maternity scheme, has one of the lowest workforce participation for women in the same age group.¹⁸

Q. Amount of payment

The amount of payment under the ANF proposal is different depending on whether the primary carer is in paid employment or not in paid employment.

For primary carers in paid employment the weekly rate of payment proposed is the employee's ordinary time weekly earnings plus 9% superannuation funded two thirds by the government and one third by the employer.

For primary carers not in paid employment the weekly rate is the indexed federal minimum wage rate plus 9% superannuation paid by the government.

Q. Financing options

In general terms the ANF proposes a two thirds government, one third employer funding arrangement based on the number of employees.

Q. Return to work guarantee (and nursing workforce issues)

It is essential to retain in any universal parental leave scheme a fundamental principle of maternity leave schemes, paid and unpaid which is the right to job protection and the right to return to paid employment without disadvantage to position or pay.

Maintaining an attachment to the workplace is a key objective for equity and economic reasons. The need to increase the labour force participation rate particularly of women is widely acknowledged. More specifically from a nursing perspective, the

widespread shortage of nurses has focused attention on strategies for the recruitment and retention of nurses and other strategies in response to nurse shortages across the various areas of nursing employment. A number of factors concerning nursing workforce issues should be noted:

- Shortages in the supply of nurses nationally have been detailed in a number of reports and summarised in the Australian Nursing Workforce Advisory Committee (AHWAC) Report on nursing workforce planning.¹⁹ It is estimated that for supply to meet demand, between 10,712 and 13,483 new registered nurses are required to enter the workforce in 2010. Currently just over 6000 registered nurses graduate each year. The same report also estimated that new enrolled nurse requirements were between 5,734 and 6,201 in 2010. In 2005 2,990 enrolled nurses completed their training.
- The AHWAC Report notes other important factors concerning nursing workforce planning including:
 - the general inadequacy of numbers of nursing graduates to meet demand (in terms of both replacement and growth in demand for health services);
 - the ageing of the nursing workforce (and projected retirements), decreasing hours worked and turnover will effect the ability of the nursing workforce to replace itself;
 - growth in demand for health services is expected to increase especially in the aged care sector but also across acute care sectors;
- The latest figures available through the AIHW Nursing and Midwifery labour force series show there are some 30,000 licensed nurses not in the nursing labour force. Approximately 46% of those in this category are not employed and not looking for work while roughly 48% are employed elsewhere and not looking for work in nursing.²⁰
- The cost of recruiting new staff is variously estimated at between \$15,000 up to the cost of an annual salary for senior staff. This cost does not include the time spent by managers and other staff on recruitment or the training costs of new staff members.

It is well documented that paid maternity leave encourages women to maintain an attachment to the workforce. The ACTU submission cites research showing that 65 percent of women who were eligible for and took paid maternity leave returned to work with the same employer within 12 months, noting that increasing the incentive to return to work with the same employer reduces the significant costs associated with staff turnover.²¹

In a nursing context, economic benefits will be achieved from introducing a universal paid parental leave scheme improving retention of staff and reducing the gap between the supply and demand for nurses now and in the future.

The nursing workforce is also ageing with over 50% of nurses contemplating retirement with the next 15-20 years resulting in the loss of the most experienced staff with specialist qualifications or expertise.²²

The latest data shows that 45% of employed nurses are under the age of 45 with 40% of that group (43,493 nurses) being under the age of 35.²³ The median age of new mothers now being 30.8 years old²⁴ further supports the view that positive economic benefits will result from the greater labour market attachment linked to the introduction of a universal paid parental leave scheme.

Further benefits will also apply to the community in general and employers in terms of maximising the investment in nurse education and training and the retention of skilled and experienced staff both in terms of nursing employment and in relation to a particular employer.

It should also be noted that nursing is traditionally a very mobile occupation. Nurses move between state/territories, sectors of nursing employment and various employers in response to the variable wages and conditions of employment in the health industry and the packages some employers are offering to retain and attract staff. A universal paid leave scheme will at least provide a minimum standard and more equitable provisions to nurses in this regard.

ANF maternity/paternity leave survey summary

In the lead up to this submission the ANF asked a random sample nurses from across Australia to respond to a survey on their experience of paid and unpaid maternity, adoption, paternity and parental leave. The survey will continue over the next two months to the end of July 2008 however a summary of responses so far provide the following results.²⁵

- 92.5% were females and 7.5% were male, representative of the general nursing population with 72% of respondents taking leave due to the birth of a child;
- 24% of those taking leave due to the birth of a child had no paid maternity/paternity leave entitlement with the most common paid maternity/paternity leave entitlement being 12 weeks;
- 42% of all respondents also took other forms of paid leave including sick leave; annual leave and long service leave in combination with unpaid leave;
- 47% didn't have any other paid leave;
- 50% said that the availability of paid maternity/paternity leave affected the time they took off work, with financial pressures and the need to return to work a factor in relation to half. Other respondents said that the lack of leave impacted on the time they took off and increased paid leave meant that they had more time at home with their children;

- The length of leave available had an impact on respondent's ability to breastfeed with 22% saying it impacted their ability to breast feed and of those 64% said they would have like to have breastfed their baby for longer. Others said it was difficult to breast feed at work so they stopped and others said being sleep deprived was a problem at work;
- When asked whether returning to work impacted on any aspect of their or their baby's health 26% of respondents said it did have an affect on their health. They said it was difficult juggling work and caring for the baby, but others said it helped reduce their anxiety about income. Some respondents said returning to work assisted them in coping with the new baby.
- When asked whether the duration of paid maternity/paternity leave affected their interaction with the baby and family life in general 31% said that it did. Comments about this ranged from an increase in guilt and stress at having to leave the baby in care and a reduction in time caring for the family to a strain on the marriage and just not having enough time available.
- When indicating reasons for returning to work when they did the vast majority of survey respondents returned to work because of financial reasons or because the paid leave ended.
- 51% said that they returned to work for financial reasons and a further 15% said they returned when paid leave ended. 15% returned because they were ready to and 14% because child care became available. Nine percent returned to work for personal or other reasons.
- When asked 62% of nurses indicated that there was not enough paid maternity leave available. Nurses also indicated that the amount of paid paternity/parental leave was not enough with 74% saying there was not enough paid paternity leave offered at their work.
- The vast majority of respondents indicated that both government and employers should take responsibility for funding maternity/paternity/parental leave with 77% indicating that funding should be provided by a combination of the two.

In summary, the ANF maternity/paternity/parental leave survey indicates nurses want to see more paid maternity and paternity/parental leave available to families following the birth of a child, funded by both the employer and the government.

Nurses responding to the survey indicated that financial considerations were a factor in their decision to return to work and that returning when they did had an impact on their own and their baby's health and wellbeing, causing a significant number of the parents' anxiety and stress.

References

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8. Richardson S., 2004 *The Care of Older Australians: A picture of the residential aged care workforce* National Institute of Labour Studies Flinders University Adelaide Australia
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18. ACTU Submission to the Productivity Commission's Inquiry into Paid Maternity, Paternity and Parental Leave 2008 p.12
19. Australian Health Workforce Advisory Committee, *The Australian Nursing Workforce: An overview of workforce planning 2001-2004*
20. AIHW 2008 ibid p.6
21. ACTU Submission op. cit. p.15
22. AIHW 2008 op. cit. p.9 and additional tables
23. AIHW 2008 op. cit. Table 5 Employed registered and enrolled nurses: age and sex, states and territories 2005
24. ACTU submission p.17
25. Percentages based on response rate ie. not all questions were answered by each respondent.