

3 March 2017

**Submission to the Senate Community Affairs Legislation Committee's
Inquiry into the *Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017***

YWCA Adelaide wishes to make comments regarding the proposed 'budget savings' Omnibus Bill currently before parliament.

YWCA Adelaide is a not for profit women's leadership organisation which has been providing a voice for women, young women and girls in South Australia for 135 years. Our organisation is well respected for its work in advocating for greater gender equality and creating strong and equitable communities through the development of women's leadership. YWCA Adelaide is part of the national YWCA Australia, and the World YWCA movement - the world's largest women-led membership movement with a global outreach of 25 million women, young women and girls in over 120 countries worldwide.

YWCA Adelaide has grave concerns about how the proposed amendments to the Omnibus Bill will impact Australia's current paid parental leave scheme and tax benefit system. These changes will have a myriad of negative consequences on families, and in particular, mothers, in addition to eroding the developing culture of employers and government sharing the responsibility for paid parental leave.

It is disappointing to see amendments such as these being proposed so soon after an inquiry conducted into Paid Parental Leave, and we share concerns with other key organisations that these changes are being rushed through Parliament without careful consideration. Furthermore, these cuts have been bundled with other concerning changes to welfare entitlements, and do not take into account the community sentiment towards supporting women and families in the workforce.

The proposed cuts to paid parental leave could leave up to 72,000 working families with reduced or no access to entitlements, stripping \$491 million from the system overall.¹ YWCA Adelaide feels that although these cuts to parental leave have been presented in a positive light, the small increase from 18 to 20 weeks is set to benefit only a small percentage of parents and is contingent on time taken away from other families. The critical early months of development for Australia's children will be affected if \$451 million is striped from the current support available overall to working families, as proposed.

These changes, and the discourse around a 'fairer system', demonstrate a lack of understanding about the purpose of paid parental leave and the harmful impacts of reducing leave access for families and, in particular, women.

As YWCA Adelaide have previously stressed, the Paid Parental Leave Scheme was intended as a 'top up' for existing entitlements, and is one of the least generous schemes in the developed world.² Australia's efforts are ranked third lowest, comparable only to Portugal and the United States – a country with no federally mandated system of paid parental leave and no guaranteed income support. Other countries are moving forward with their paid parental leave schemes in offering substantial

¹ Child care, paid parental leave, family tax benefit changes introduced in omnibus budget savings bill, ABC News, 8 February 2017, <http://www.abc.net.au/news/2017-02-08/omnibus-budget-savings-bill-to-be-introduced-to-parliament/8249754>

² OECD, *Key characteristics of parental leave systems*, http://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf



maternity and paternity leave options. If these changes are implemented, Australia will be moving backwards on a vitally important issue for working women and men.

Despite the proposed positive changes to childcare accessibility, this Bill will have a notably adverse impact on the health and wellbeing of young children and parents in a period of critical bonding. Experts recommend 26 weeks as the minimum period of leave needed for health and welfare benefits to parents and newborns. The implications of forcing women back to work due to changes to family benefits would be staggering. Women who take between 13 and 26 weeks parental leave are more likely to report suffering from mental distress for up to two years than women who took more than 26 weeks rather than placing their children in child care to facilitate their early return to work.³

Additionally, the long-term benefits of breastfeeding exclusively to 6 months are well known. Improved brain and cognitive development, measurable impact on school performance and later life and a decreased risk of obesity have all been clearly identified as benefits of prolonged breastfeeding.

We strongly oppose this Bill and believe that it would not only adversely impact the health and economic outcomes for parents and babies alike, it would set Australia backwards in our provision of paid parental leave in comparison with other OECD countries and compromise the emerging culture of shared responsibility for parental leave between the government and employers.

We reiterate that this issue of paid parental leave entitlements should not just be seen within the perspective of savings measures. YWCA Adelaide believes that it should be considered in terms of providing adequate support for parents at a critical time of their and their babies' lives as well as giving both women and men the freedom to make their own choices in balancing childcare and their careers. Any changes to childcare accessibility should not be made at the expense of critical family tax benefits or a paid parental leave scheme that was intended to complement benefits provided by employers.

If there are any further question, I can be contacted directly on 08 8203 9401 or via email at liz.forsyth@ywca.com.au

Thank you for your time in considering this important issue.

Yours sincerely,

Liz Forsyth

Chief Executive

YWCA Adelaide

³ Department of Families, Housing, Community Services and Indigenous Affairs, *Paid Parental Leave Evaluation: Phase 1*, https://www.dss.gov.au/sites/default/files/documents/06_2012/op44.pdf