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\$850 a week for new mums to stay at home: commission told

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NEW mothers should receive maternity benefit of \$850 a week for six months to stay at home to look after their babies, the Productivity Commission has been told.

The Family Day Care Association of Australia said the payments could be funded from existing family benefits and a parenting leave levy.

It was outlined as a leading union shot a hole in the Federal Government's long-term plan to fix childcare centres, warning of on-going staff shortages.

FDCA policy manager Pola Nadas of Sydney, president Kym Groth of Brisbane and care provider Donna Evans of Melbourne told the commission in Brisbane yesterday that families also should be encouraged to set up maternity or paternity leave funds from salary deductions, which could fund up to another six months of paid leave.

The commission was in its seventh day of public hearings as part of a national inquiry into maternity, paternity and parenting leave.

Ms Nadas said that by combining existing tax benefits, rebates and baby bonus with a Medicare-style levy imposed on all workers' gross incomes, stay-at-home parents could be paid the equivalent of the average weekly wage for six months after the birth of a child.

"Family Day Care sees maternity leave as a right of infants to be breast fed in the first six months of life and to ensure their needs for secure attachments with their parents and siblings are met within the first 12 months of life," Ms Nadas said.

The association's submission also calls for an extra four weeks or government-funded paternity leave and help for Australia's 12,000 family day care providers.

The Queensland Council of Unions' Amanda Richards told the commission 14 weeks paid leave should be a minimum first step towards a national target of six months.

But Commerce Queensland general manager Paul Bidwell told the commission the business community was opposed to funding a national paid parental leave scheme.

He said such a scheme would impose a significant and unaffordable cost on business, reduce international competitiveness and increase the likelihood of discrimination.

The Government is facing more problems on the childcare front, with a warning from the national childcare union that its promise to open 260 new centres could prove difficult.

"In various parts of Australia they will struggle to find the required workers to fill those centres," assistant secretary Sue Lines said.

Ms Lines said there was already chronic staffing problems in existing childcare centres.

The declaration is another blow for the Rudd Government and Deputy Prime Minister Julia Gillard on child care.

There are strong fears that major childcare providers are set to hike up their fees, by as much as 10 per cent, as the Federal Government's 50 per cent Childcare Rebate starts on July 1.

The new government measure will mean parents will be up to \$3000 better off for each child, but this is before any fee increases.