

A call for extended paid parental leave for families of babies requiring extended hospitalisation at birth

The Problem

In Australia, approximately 18% of newborn babies are admitted to a neonatal intensive or special care nursery each year. While most babies will be discharged home soon after birth, 5-6% will spend more than 2 weeks in hospital.

For parents of these hospitalised babies, much of their paid parental leave is exhausted before bringing their baby home. This raises grave concerns, as families with preterm or sick babies face higher risks of anxiety, depression, stress, and neurodevelopmental challenges in their children. Financial pressures often force parents to return to work whilst their baby is in hospital, separating the family.

The time these babies and parents spend together in the early developmental period, during the hospitalisation and after discharge, is crucial for optimal child development and bonding. However, caregivers whose babies are admitted to neonatal intensive or special care for extended periods are not currently entitled to any extra parental leave payments from the Australian Government, despite the critical importance of this time.

The Proposal

We recommend the Australian Paid Parental Leave Act is changed to allow primary carers access to 1 week of extra parental leave pay for every week in hospital (for babies admitted to hospital for more than 2 weeks), up to a maximum of 14 weeks. For secondary carers of these babies, we recommend an additional 1-2 weeks of extra parental leave pay depending on the baby's length of stay.

The Cost

Of the estimated 280,000 births each year, approximately 15,000 babies require hospitalisation for greater than two weeks. Based on the current primary and secondary carer workforce rates we would expect about one-half of these families to take up the proposed scheme. The cost would be approximately \$44 million - less than 1% of the 2026-2027 allocated budget.

The Benefit

Based on indicative modelling, the benefits of the proposed scheme are likely to outweigh the costs due to: medium to long term productivity gains with care givers more likely to return to and stay in the workforce long term; improved parental physical and mental health; and, likely long term benefits for parent, child and family health and wellbeing.

The Australian Government's Early Years Strategy 2024-2034 sets out a vision for all children to thrive in their early years. Our proposal directly supports two key pillars of this strategy: Ensuring children's health and wellbeing and strengthening family support services.

Join Us

In 2023, a national petition launched via the Australian Government to support our proposal received 10,000+ signatures. Join us on Wednesday November 5th at Parliament House, Canberra, and support our call for extended paid parental leave for these vulnerable families and babies.



Neonatal Critical Care
ALLIANCE

