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Recent Australian parental leave policy developments

Presentation to
International Network on Leave Policies and Research

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7-8 October 2010
Bologna

Pre-2010 Australian policy context

- Maternity leave

- ◆ Access to 12-months unpaid leave following the birth/adoption of a child
 - Unpaid **maternity** leave since 1979
 - Unpaid **parental** leave since 1990

- Paternity leave

- ◆ Access to 1-weeks unpaid leave at the time of birth/adoption of a child (since 1990)

- Baby bonus

- ◆ \$5000 (€3500)



Pre-2010 Australian policy context

- Access to paid maternity leave predominantly public sector employees
 - ◆ Commonwealth employees since 1973
 - ◆ Some private sector employees have access to paid maternity leave through employer
- Overall, 49% women claim access to paid maternity leave (2009)
- Overall, 42% men claim access to paid paternity leave (2009)
- Access concentrated in public sector, well paid jobs and those covered by enterprise agreements
 - ◆ Little access for private sector minimum award rate employees



Employment status of parents in the 12 months prior to the birth of a child, Australia 2005

	Mothers (% of total)	Mothers (% of employed)	Fathers (% of total)	Fathers (% of employed)
Employee, with same employer for 12 months	50	72	62	65
Employee for 12 months, but not with same employer	3	4	9	9
Employee, but not for the full 12 months	9	13	5	5
Self employed	7	11	19	20
Not in paid work – at home to look after family	27		1	
Not in paid work – other reasons	4		3	
Totals	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>

Data source: Parental Leave in Australia Survey, 2005 (Wave 1.5, LSAC)

Source: Whitehouse, Baird, Diamond & Soloff (2007)

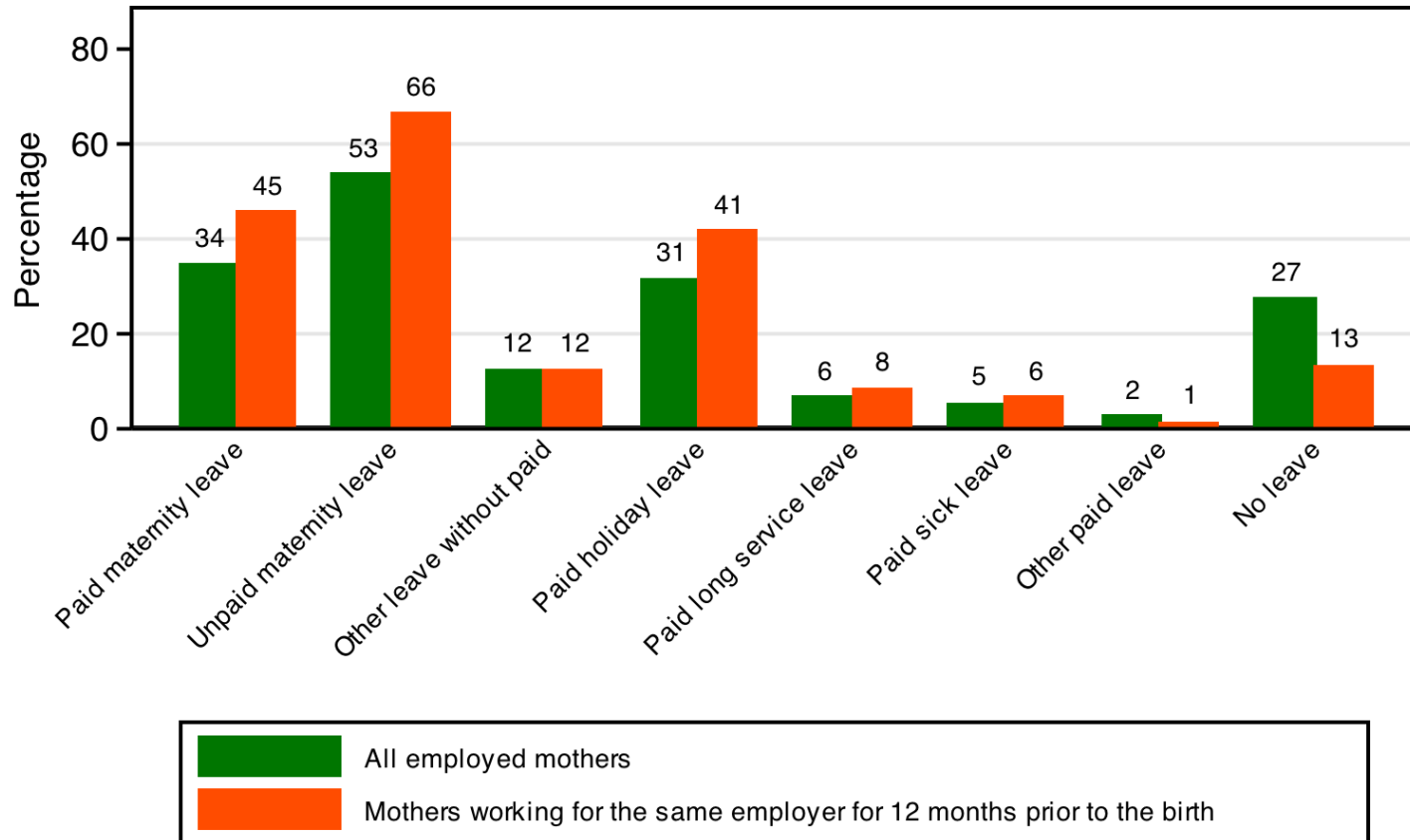


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Leave types used by mothers, Australia 2005



Population: Mothers employed during the 12-month period prior to birth of child

Data source: Parental Leave in Australia Survey, 2005 (Wave 1.5, LSAC)

Source: Whitehouse, Baird, Diamond & Soloff (2007)

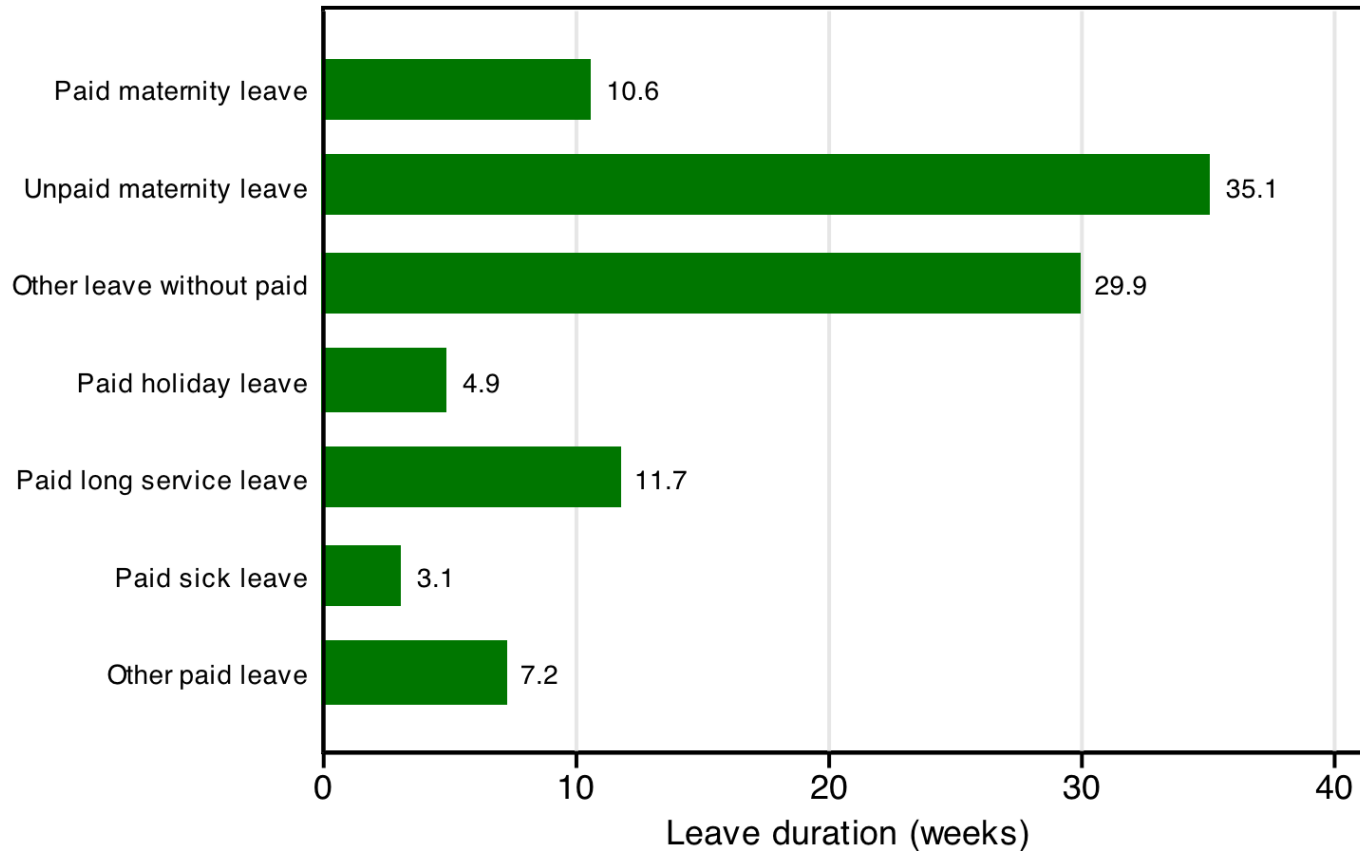


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Leave taken by mothers, Australia 2005



Population: Mothers employed during the 12-month period prior to birth of child

Data source: Parental Leave in Australia Survey, 2005 (Wave 1.5, LSAC)

Source: Whitehouse, Baird, Diamond & Soloff (2007)

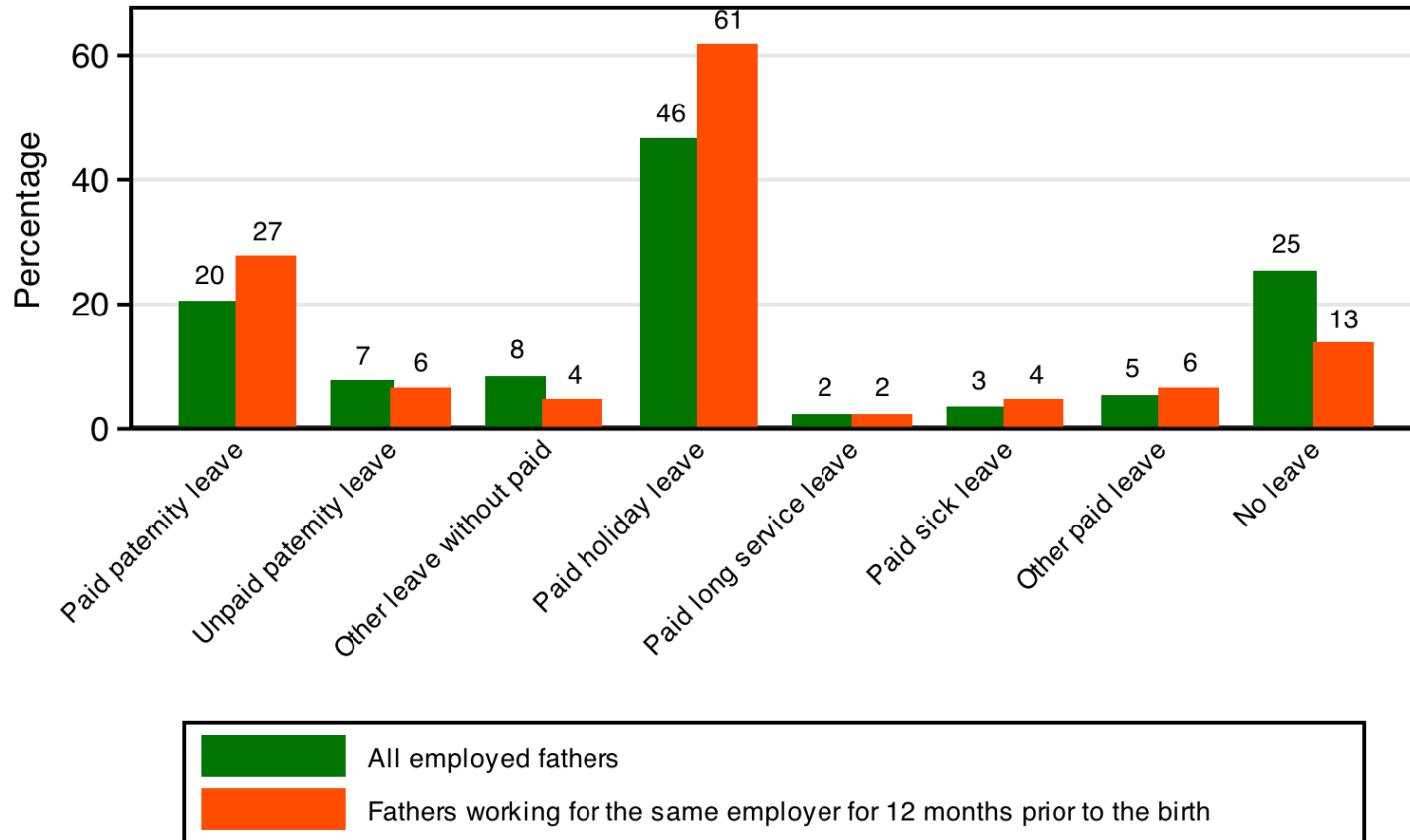


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Leave types used by fathers, Australia 2005



Population: Fathers employed during the 12-month period prior to birth of child

Data source: Parental Leave in Australia Survey, 2005 (Wave 1.5, LSAC)

Source: Whitehouse, Baird, Diamond & Soloff (2007)

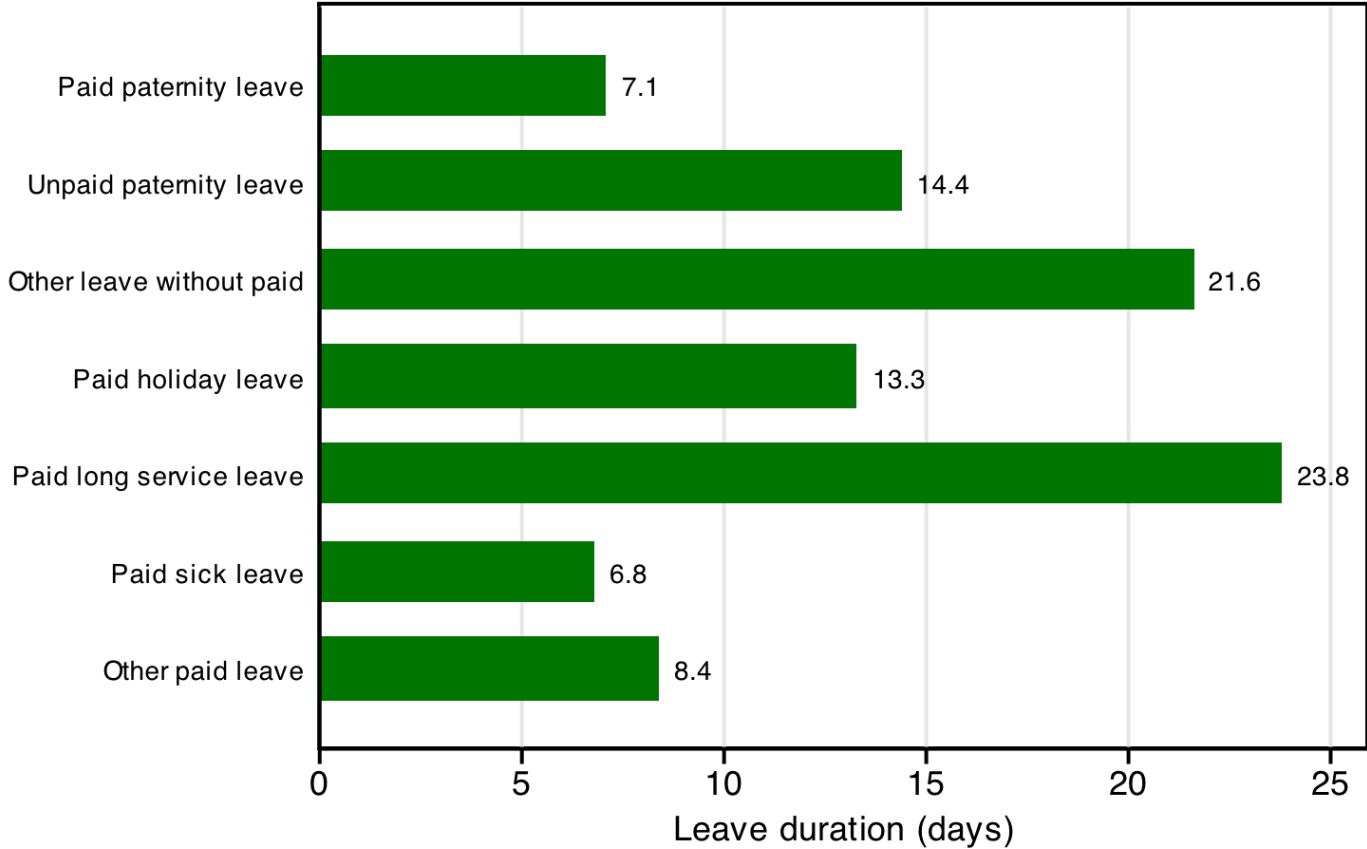


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Leave taken by fathers, Australia 2005



Population: Fathers employed during the 12-month period prior to birth of child

Data source: Parental Leave in Australia Survey, 2005 (Wave 1.5, LSAC)

Source: Whitehouse, Baird, Diamond & Soloff (2007)



Family Tax Benefit

- FTB provides welfare payment per child
- Targeted payment (like other Australian welfare measures)
 - not universal, although most families receive some FTB
- FTB in two parts: Part A and Part B
 - ◆ Part A payment level based on total family income
 - ◆ Part B payment level based on second earners income
 - Universal for single-parent families
 - Very targeted for couple-parent families where second parent does not work (or not very much)



Family Tax Benefit

- Part A (base rate)
 - ◆ Under 18 \$51.24 f/n (€35.86)
 - ◆ Supplement \$726.35 (€508.44)
 - Part A (max rate)
 - ◆ Under 13 \$160.30 f/n (€112.21)
 - ◆ 13-15 \$208.46 f/n (€145.92)
 - ◆ 16-17 \$51.24 f/n (€35.86)
 - ◆ 18-24 \$68.74 f/n (€48.11)
 - Max until \$45,114 (€31,580)
 - Base only at \$94,316 (€66,021)
 - Ceiling at \$101,191 (€70,833)
- Part B (max rate)
 - ◆ Under 5 \$136.36 f/n (€95.45)
 - ◆ 5-15 \$95.06 f/n (€66.54)
 - Max until \$4,745 (€3,321)
 - Ceiling
 - ◆ Under 5 \$24,291 (€17,003)
 - ◆ 5-15 \$18,907 (€13,234)



Child care assistance

- Child care benefit \$3.68 ph (€2.57)
 - ◆ Max 24 hours (\$184.00/ €128.80)
 - Max 50 hours if approved study/work seeking activities
- Child care rebate
 - ◆ 50% out of pocket expenses
 - ◆ Max \$7,500 (€5,250)
 - ◆ Paid quarterly



Australian policy developments in 2010

- Fair Work Act 2009
 - ◆ Objects of the Act now include:
 - 3 (d) assisting employees to balance their work and family responsibilities by providing for flexible working arrangements
 - ◆ Increased unpaid 'short paternity leave' immediately following birth from one to three weeks
 - ◆ Ten National Employment Standards in effect since January 2010
 - Right to request additional 12-months unpaid parental leave
 - Right to request flexible work arrangements prior to child beginning formal schooling



Australian policy developments in 2010

- Paid Parental Leave Scheme from January 2011
 - ◆ 18-weeks paid leave at federal minimum wage
 - ◆ Currently \$543.78/wk (\$14.31/hr €10.01/hr)
 - 50.3% Female FTAWE
 - ◆ Restricted to those earning <\$150k (€105k)
 - 2.7 times Female FTAWE
 - ◆ Eligibility rules are loose to encourage take up
 - Primary carer (usually mother) must work in 10 of previous 13 months prior to birth
 - Must work at least 330 hours in those 10 months
 - ◆ Approximately 1 day per week on average



Future Australian policy

- Election commitment to introduce 2-weeks paid paternity leave from July 2012
 - ◆ One-of-two Productivity Commission recommendations not initially taken up
 - Contribution to compulsory superannuation payment was other
- Scheme is being reviewed after first two years
 - ◆ Evaluation being conducted by UQ researchers (including Marian Baird and Gillian Whitehouse)
- Future developments?

