Recent Australian parental leave policy developments

Presentation to
International Network on Leave Policies and Research

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Pre-2010 Australian policy context

- **Maternity leave**
  - Access to 12-months unpaid leave following the birth/adoptive 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/adoptive 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

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

Data source: Parental Leave in Australia Survey, 2005 (Wave 1.5, LSAC)
Leave types used by mothers, Australia 2005

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

- Paid maternity leave: 10.6 weeks
- Unpaid maternity leave: 35.1 weeks
- Other leave without paid: 29.9 weeks
- Paid holiday leave: 4.9 weeks
- Paid long service leave: 11.7 weeks
- Paid sick leave: 3.1 weeks
- Other paid leave: 7.2 weeks

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)
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)
Leave taken by fathers, Australia 2005

- Paid paternity leave: 7.1 days
- Unpaid paternity leave: 14.4 days
- Other leave without paid: 21.6 days
- Paid holiday leave: 13.3 days
- Paid long service leave: 23.8 days
- Paid sick leave: 6.8 days
- Other paid leave: 8.4 days

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)
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 FTAW
  - Restricted to those earning <$150k (€105k)
    - 2.7 times Female FTAW
  - 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?