

# Review of Australia's Paid Parental Leave scheme

## Business/Organisation Submission Form

Instructions for completion:

- questions marked with an asterix (\*) must be answered
- please save as a Microsoft Word document, other formats will not be accepted
- email your submission to [ppl@fahcsia.gov.au](mailto:ppl@fahcsia.gov.au)
- if you are unable to make your submission by email, you may post a hard copy of your submission to:

Paid Parental Leave review – FaHCSIA  
AW3  
PO Box 7576  
CANBERRA BUSINESS CENTRE ACT 2610

The closing time for submissions is **5pm Friday 31 May 2013.**

Information and resources to help you prepare your submission are available on the website at [www.fahcsia.gov.au/PPLreview](http://www.fahcsia.gov.au/PPLreview).

### **Part A: Confidentiality statement**

I have read and agree to the conditions outlined in the [Privacy Information](#) (A1)\*

We encourage you to allow your submission to be shared with other members of the public to promote discussion. If you would prefer your submission be treated as confidential please tick the following box:

Please treat my submission as confidential (A2)

### **Part B: Your name or business/organisation name**

B(b)1. Business/organisation name\*: economic Security4Women

B(b)2. Details of the contact person for this submission\* Acting Executive Officer

B(b)3. Title: Ms

First name: Sally

Surname: Jope

B(b)4. Email address\*: [policyadvisor@security4women.org.au](mailto:policyadvisor@security4women.org.au)

B(b)5. Phone number: 0423198567

## Part C: Information about your business/organisation

C(b)1. Which of the following best describes your business or organisation?

- A private sector “for profit” organisation
- A private sector “not-for-profit” organisation
- A government business or enterprise or commercial statutory authority
- Another government organisation such as a public service department, local council, school or university
- Other type of business/organisation: **<National Women’s Alliance funded by Australian Government through Office for Women>**
- Not sure

C(b)2. Does your business/organisation operate from more than one location?

- Yes
- No
- Not sure

C(b)3. Where is the primary location of your business/organisation?

- NSW
- VIC
- QLD
- WA
- SA
- Tasmania
- NT
- ACT
- National
- International
- Not sure

C(b)4. Please provide a brief description of your business/organisation? (eg. sector, type of products or services, etc.)

**economic Security4Women (eS4W) is an alliance of women’s organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.**

**The role of eS4W is to:**

- **bring together women’s organisations and individuals to share information, identify barriers to women’s economic security and to identify solutions by prioritising the key issues for action to bring about change**
- **engage actively with the Australian Government on policy issues as part of a better more informed and representative dialogue between women and government >**

C(b)5. Approximately how many people does your business/organisation usually employ (that are paid a wage or salary)?

- Less than 5
- 5 to 19 employees
- 20 to 99 employees
- 100 to 199 employees
- 200 employees or more
- Not sure

C(b)6. Is your business/organisation registered to provide Government-funded Parental Leave Pay to its employees?

- Yes
- No
- Not sure

C(b)7. Does your business/organisation offer its employees any **paid** leave to care for children, funded by your business/organisation, in addition to the Government's Paid Parental Leave scheme?

- Paid maternity leave (for mothers to care for their children after birth)
- Paid paternity leave (for fathers to care for their children after birth)
- Paid primary carer's leave
- No employer-funded paid leave to care for children after birth
- Not sure

C(b)8. If there is any other information you would like to provide about your business/organisation, please do so here:

<Please type your response here>

## Part D: Your response to the review questions

Please answer any or all of the questions below. Your answers will be most useful if you include explanations and evidence. We encourage you to use the [information and resources](#) provided on the PPL review webpage to help you prepare your submission.

D1. How does the scheme work in practice for parents, including parents' awareness of the scheme and their experience of applying for, and receiving, Parental Leave Pay?

**The present scheme does not work equally for all women. Based on our consultations with women's organisations around insecure work we have found that the scheme works differently for women in permanent positions or on long term contracts and for women who are employed on a casual basis or on fixed term contracts. It also works differently for women who are employed in small businesses compared to those who are employed**

**in large and medium sized companies. We also suggest that it works differently for women who are self-employed as sole employees or who are running small businesses including women who are running farms and other home based enterprises.**

**Has this difference been considered in the recent changes to the Baby Bonus? There is good evidence in Phase 2 of the evaluation that more disadvantaged women and more women in precarious employment apply for the Baby Bonus. The Baby Bonus will to a limited extent address their loss of earnings but does nothing to secure their labour force participation in an existing precarious environment.**

**D2. How does the scheme work in practice for employers, including employers' experience of receiving Paid Parental Leave funds and providing Parental Leave Pay to their employees?**

**We support in principle the payment through the employer to maintain the attachment but understand that this does create additional work and therefore requires additional resources for small to medium sized employers, many of whom do not have Human Resources or Pay Roll support.**

**The scheme appears to work differently according to the size of the employer's business. Many small businesses, especially those with 1-4 employees would find the added administrative requirements a burden in terms of additional time required and many might not realise the benefits of retaining the skills and experience of existing staff. The business case for retaining women in the workforce is yet to be fully understood across all sectors of business and industry.**

**From their existing PPL schemes and their willingness to extend the paid and unpaid time of leave, it is obvious that many large firms factor into their business model the benefit of retaining the skills and experience of their female staff.**

**We suggest more attention needs to be paid to the capacity of small business to access information about PPL and to their capacity to administer the payment of PPL offering them the option of payment through Centrelink or the Family Assistance Office as many parents access some form of family payment following birth of their baby.**

**D3. How much time do mothers and fathers (or other partners) take off work after the birth or adoption of a child – including with the Government's Paid Parental Leave and employer provided leave entitlements including paid and unpaid leave?**

**The amount of time parents take off work after the birth of the child really depends on a range of factors, however self-employed women have less capacity to take time off and we suggest an exploration of the payment of PPL to assist self-employed women to maintain a level of activity that keeps their business going and supports their ability to balance work with the care of their child.**

**1 A self-employed Real Estate Agent found she could not take 18 weeks off at the rate of remuneration provided and so thought she would return to work maybe part time and use the Paid Parental Leave monies to employ part time staff in her business while**

she spent time at home with her baby and other child. This is not permissible - once you return to work the Paid Parental Leave payments stop so this woman was forced to take the bonus and have minimum time off work<sup>1</sup>.

This is particularly relevant to women who are employed in a family farm based business that may not have easy access to childcare and who are required to work or find a replacement. In this case PPL could be configured with Child Care Benefit/In home care.

**2** The next case is similar in that the woman was self-employed in the catering industry and conducts her own business from her own premises. Being unable to afford to take 18 weeks leave at the payment level provided she will also take the bonus.

D4. What do you think about the availability of other types of leave, including unpaid leave and any paid leave provided by employers, as well as other employer provided benefits?

eS4W applauds the extension to parents of other types of leave including unpaid leave on the birth of their child/children. This support is crucial for the wellbeing of the child as well as for the parents' attachment to the labour force and their ability to balance work and family and contribute to gender equity.

However eS4W is concerned about the ability of the parents Right to Request part time return to work after parental leave. This is one of the biggest areas of contention for clients of Working Women's Centres. Many of our member organisations support the current campaign to strengthen the "Right to Request" flexible work arrangements upon return from parental leave. "Strengthening" could include convincing employers to document why the request was declined. Currently workers have no redress if there request is refused.

D5. How do employer-provided leave and other employer entitlements interact with the Government's Paid Parental Leave scheme?

As an equity mechanism, to ensure women are not penalised for taking time off work to have children, the PPL should reflect and attempt to replace loss of earnings. This could be anything between 100 per cent and 50 per cent of their income, with a minimum of the current National Minimum Wage.

The current rate of payment of PPL can be considered a 'safety net' PPL; most appreciated by women whose employers do not offer any paid leave.

Employer provided leave and other entitlements interact with the Government's PPL scheme to replicate existing inequalities in the work place between parents in permanent work and those in casual work and on fixed short term contracts.

Many higher income earners already have access to PPL schemes that do replace their loss of earnings, and many are able to extend their time off work with the Government scheme.

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<sup>1</sup> These cases were provided by National Rural Women's Coalition

D6. What do you think about how the Paid Parental Leave work test operates? The work test is the set of rules about how much a parent must have worked before the birth of the child to be eligible for Parental Leave Pay.

**<The work test may place women who are self-employed, employed casually or on fixed term contracts at a disadvantage if they are not able to demonstrate continuous employment in the twelve months before the birth. Women with more than one child who may have had to look for more flexible, but less secure work arrangements may be penalised by this work test.**

D7. What do you think about the process for fathers and other partners to access payments under the Paid Parental Leave scheme including in the rules that set out how a mother can transfer unused Parental Leave Pay to her partner?

**<eS4W supports any measures that encourage the sharing of the primary care role and supports the use it or lose it provision.**

D8. Should superannuation contributions be made on top of Parental Leave Pay, and how should superannuation contributions work?

**<eS4W strongly supports the contribution of superannuation payments on top of PLP but again understands that one size will not fit all employers. eS4W also supports the exploration of carer credits in the recent work published by Australian Human Rights Commission (AHRC) Viewed at**

**[https://www.humanrights.gov.au/sites/default/files/UnpaidCaringVolume1\\_2013.pdf](https://www.humanrights.gov.au/sites/default/files/UnpaidCaringVolume1_2013.pdf)**

*"The current system of retirement incomes and savings, including the age pension and superannuation that is tied to paid work, should be reformed to account for the inequity of retirement incomes and savings that leaves many women in poverty in older age, especially women who are or have been unpaid carers.*

*This system of compulsory superannuation, is tied to paid work, and creates significant inequalities in the retirement incomes of those who provide care during their lives and those who do not.*

*Superannuation savings are also supported by generous taxation concessions. The current system of taxation concessions disproportionately benefits higher income earners who make higher contributions to their superannuation.*

*As carers are more likely to have lower superannuation savings, they are less likely to benefit from taxation concessions.*

***The introduction of carer credits into a country's pension system provides a method of explicitly recognising these years spent providing unpaid care for a child or a family member with a disability, long-term illness or frailty due to old age.***

***For parents, many countries link their carer credits to periods of paid (or unpaid) parental leave. Credits can also be available to new parents who are outside of work or who are not entitled to parental leave.***

***Some carer credit schemes permit, and indeed encourage, carers to return on a part-time basis by continuing to provide carer credits upon their return or re-entry to the workforce. These credits can 'top up' an individual's pension contributions to the value of what they would be if the individual was working full-time.***

***A number of countries, that limit carer credits to parents only, are now extending them to all carers. For carers, entitlement to a credit generally depends on the level of the care need or the amount of care provided by the carer, sometimes verified by a 'care certificate'.***

***Some countries are beginning to include carer credits in their private or occupational pension schemes. In these cases, the state either contributes to a person's private pension account while they are out of work after the birth of a child or takes over the employer contribution during certain periods of workforce absence.***

***Options for reform should include both the age pension and the superannuation system. The benefit to society is greater gender equality in older age and greater adequacy of women's retirement incomes through access to increased superannuation entitlements, leading to improvements in financial wellbeing in older age".***

**Zonta District 24 strongly believes that we need to find a way for women to continue to have super contributions made while they are on parental leave to address the growing inequities in income faced by women in retirement. The proposals for carer credits would appear to be the best way forward, with careful consideration required of how they might be added to the most recent round of superannuation reform announcements.**

**The Queen Victoria Women's Trust believes the most equitable and sustainable option for the period of paid parental leave would be a tax-payer funded minimum leave payment (paid through reimbursement of employers) together with compulsory payment by employers of contributed superannuation. Maintaining the connection between women and their employer throughout the paid leave period is also the model most likely to facilitate women returning to the workforce after child bearing. Evidence suggests that organisations providing paid maternity leave are also more likely to retain the skills and expertise of women in their workforce."**

a) any other matter relevant to the general operation of the Act.

**Our sister alliance, Australian Women Against Violence Alliance (AWAVA) states that paid parental leave is particularly important for victims and survivors of domestic, family and sexual violence.**

## **Part E: Further information and attachments**

Please include any images, tables, graphs, additional information and/or attachments in this part of the document.

This submission has been endorsed by the following National Women's Alliances:

1. National Rural Women's Coalition
2. Australian Women Against Violence Alliance

And endorsed by the following members of eS4W

1. Australian Federation of Graduate Women
2. Business Professional Women Australia
3. National Foundation of Australian Women
4. Zonta District 24
5. Association of Professional Engineers, Scientists and Managers Australia