

Budget 2019 – Paid Parental Leave

Paid Parental Leave Budget Overview

The 2019 budget does not respond to any of NFAW’s recommended improvements in the current standard of Paid Parental Leave (PPL). Of the **individual Budget measures examined in the Budget Measures table below**, the only expenditure bearing on PPL is an increase in funding associated with changes to the work test announced in the 2018 Women’s Economic Security Package. These changes, which were welcomed by NFAW, provided primary carers of children with better access to PPL and more flexibility in its use.

WHY IS THIS AN ISSUE FOR WOMEN?

- Women account for 94.9% of all primary carer’s leave utilised with men accounting for only 5.1%. ([WGEA Gender Equality Scorecard](#), p. 11)
- Australian working women continue to shoulder the majority of child-care responsibilities, with non-working men devoting less time to childcare than working women (Miranda, V. (2011), [Cooking, Caring and Volunteering: Unpaid Work Around the World](#), p. 19).
- The Australian model of a government payment that could be topped up by employers has been largely successful. Take up by fathers has, however, been low. The current scheme provides:
 - 18 weeks government funded Parental Leave Pay, paid at the National Minimum Wage level to the primary carer, provided they meet the work, income, residency tests and are on leave
 - payment from public funds via employers if the employee has been working greater than 12 months and will continue as their employee
 - two weeks Dad and Partner Pay on a use it or lose it basis.
- However,
 - while workplace agreements mean that some employees receive 26 weeks of paid leave, they are likely to be higher earning, professional or public sector employees
 - the failure to provide a superannuation contribution to PLP has a negative effect on women’s lifetime and retirement incomes, and
 - there is a mismatch in eligibility for unpaid leave under the National Employment Standard (NES) and eligibility for PLP. Some mothers eligible for PLP aren’t eligible for unpaid leave because of their work history. They receive financial support but have no right to return to work

after time off. The permissible gap also disadvantages women in jobs where there are breaks in employment and we recommend this be abolished.

- The Parental Leave Payment system (PLP) has been in operation for seven years. NFAW believes it is time for a comprehensive re-examination of the PLP.

BUDGET MEASURES

The following table sets out the priorities identified by NFAW and the relevant 2019 budget commitments.

NFAW priorities	In 2019 budget?	Comment (if any)
As a matter of equity, the PLP should be extended to ensure all employees are eligible for 26 weeks leave at the minimum wage.	No	Nothing in the budget
The duration of the Dad and Partner Payment should be extended to four weeks.	No	Nothing in the budget
Superannuation should be included in PLP.	No	Nothing in the budget
The NES should be amended to address the mismatch in eligibility requirements for unpaid and paid parental leave.	No	Nothing in the budget
NFAW recommends that the Parliamentary Budget Office should undertake modelling of other possible changes that could be built onto these fundamental improvements to the system of PLP.	No	Nothing in the budget
Other budget measures		
Measure	Comment	
No change directly relevant to assisting working mothers.	The Budget Paper 1 (p5-25) refers to costings of PPL as follows: Expenses for Paid Parental Leave (PPL) are estimated to increase by 1.3 per cent in real terms from 2018-19 to 2019-20, and increase by 2.2 per cent in real terms from 2019-20 to 2022-23. These changes from 2018-19 to 2022-23 are largely due to the projected increase in the number of PPL recipients and the 2018-19 MYEFO measure <i>Women's Economic Security Package</i> , which provided primary carers of children with better access to PPL and more flexibility in how it is used.	

