

Budget 2021 – Employment

Paid Parental Leave overview

Ten years after Australia’s national paid parental leave scheme began operation, the Government has again failed to complete the unfinished business on paid parental leave even though it is clear there is more work to be done on the scheme to ensure it meets its objectives.

The National Foundation for Australian Women (NFAW) and gender equality and parent organisations have been calling with increasing urgency for the Government to address this unfinished business. This oversight is particularly disappointing for a Budget that was intended to deliver for gender equality.

Paid Parental Leave

The Budget

The Government provided around \$2.4 billion in Parental Leave Pay and Dad and Partner Pay payments in 2019/20 ([Women’s Budget Statement p. 42](#)).

In July 2020, parents were able to take their parental leave in discrete blocks. The Women’s Budget Statement notes that, as at 28 February 2021, “...around 9.3 per cent of claimants have split their Parental Leave Pay” ([Women’s Budget Statement p. 42](#)).

There were no new initiatives in the 2021/22 Budget.

Gender implications

Why is this an issue for women?

Reviews of the national scheme [note](#) that it “... had small but significant positive effects on the health, wellbeing and labour market participation of mothers”, but that the gender equality benefits were limited.

This is partly because the scheme focusses on primary carers, and while parts of the pay can be shared between parents, it is the primary parent (presumed to be the mother) who is able to share the pay. Specific Dads and Partners Pay (DAPP) is limited to two weeks. Tu [notes](#) that, “according to [Department of Social Services data](#) only roughly 25 percent of eligible fathers and partners accessed the payments in the years between 2018-2019”.

This entrenches traditional gender norms that see women as primarily responsible for caring for children and has a tendency to exclude men from caring roles. [Baird et al](#) conclude that fathers are cast as "...‘supporters’ rather than recognising substantive involvement in care."

In addition, the scheme is available for only 18 weeks, shorter than international good practice, and recipients do not receive superannuation payments.

These were all limitations of Australia’s national scheme that were intended to be addressed over time, when it was legislated in 2010. Yet these remain outstanding.

NFAW and other organisations have long been [calling](#) for these limitations on the scheme to be addressed. It is time that the Government completed this task.

What are the 2021 Budget impacts on women?

This is a missed opportunity to address outstanding measures that will help to advance gender equality in Australia.

Recommendations

The Government should address outstanding issues around the paid parental leave scheme, in the short term through a review of the scheme, and in the longer term to introduce:

- a more generous scheme of at least 26 weeks of PPL to be shared by both partners, with ‘use it or lose it’ mechanisms to encourage men to use their share
- parental leave pay at Average Weekly Earnings, paid by the Australian Government
- employers be given incentives to top up pay to actual income beyond AWE
- the ability of both parents to split parental leave into blocks of time over the first two years of a child’s life, including paid and unpaid periods
- superannuation to be paid on all government funded PPL
- amendments to the National Employment Standards to address mismatch in the eligibility requirements for unpaid and paid parental leave;

The review should model other changes that could be built onto these fundamental changes to the scheme and ensure the scheme encourages more equal sharing of paid and unpaid work between women and men.

References

Marian Baird, Myra Hamilton & Andreea Constantin "[Gender equality and paid parental leave in Australia: A decade of giant leaps or baby steps?](#)" (2021) *Journal of Industrial Relations Online* First 2 May 2021.

National Foundation for Australian Women [Submission to the Senate Community Affairs Legislation Committee Inquiry into the Paid Parental Leave Amendment \(Flexibility Measures\) Bill 2020](#), 3 March 2020.

Jessie Tu "Australia's current Paid Parental Leave scheme only entrenches negative gender stereotypes" *Women's Agenda* 17 May 2021.

Australian Government *Women's Budget Statement 2021/22* Australian Government Canberra 2021.