



GENDER LENS ON THE 2024 BUDGET

Key policy in discussion	Paid Parental Leave
Portfolio and or agency	Department of Social Services
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Key Portfolio Issues

NFAW has welcomed the Australian Government’s significant investment in Paid Parental Leave (PPL) as a significant means of supporting gender equality in Australia. The Budget’s PPL measures add weight to the government’s policy platform outlined in [Working for Women: A Strategy for Gender Equality](#) (“national gender equality strategy”) released in March 2024, in particular, the inclusion of superannuation on Commonwealth-funded PPL from July 2025.

This announcement builds on the *Paid Parental Leave Act 2010* amendments, introduced in 2023 as a significant step towards a good practice PPL scheme that values care and supports carers throughout their life course.

The Budget also funded a 2023 commitment to extend parental leave by another two weeks, towards the ultimate goal of 26 weeks by 2026.

While this is a significant step forward, there are several policy mechanisms that the government could implement to achieve international best practice for PPL. To further strengthen this crucial progress, NFAW recommends the Government prioritise legislating a ‘use it or lose it amendment’, as a means of encouraging men and women to equitably participate in work and family life. This move would be further supported through more holistic integration with the Fair Work Act, and commitment to the [International Labour Organisation Maternity Protection Convention, 2000 \(ILO 183\)](#).

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women’s organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

Budget Measures

The Budget contains several new measures on PPL following significant commitments which will commence in July 2025, and which are contained in the national gender equality strategy. The Government's commitment to increase the length of leave, and to encourage men into care, will impact the budget in the future.

- **Superannuation on Commonwealth PPL:** The Budget commits \$1.1 billion over 4 years, and an additional \$623.1 million every year after that. Once the PPL scheme is fully expanded from 1 July 2026, the maximum amount a family would receive in superannuation contributions is up to around \$3,000 per birth (Commonwealth of Australia 2024, [Women's Budget Statement](#), p.61).
- **Legislation of secondary carer 'use it or lose it' leave:** The Government is [increasing](#) the reserved period of leave for each parent to four weeks by the 1st of July 2026 (Commonwealth of Australia 2024, [Women's Budget Statement](#), p.36).
- **Greater flexibility for parents:** The Government has amended the *Fair Work Act 2009* to include greater flexibility for employees taking unpaid parental leave, allowing them to take up to 100 days of their 12 month leave entitlement flexibly from 24 months from birth or placement of the child.
- **Increased PPL for the Australian Public Service (APS):** APS employees will increase parental leave to provide equal 18 weeks for both caregivers by the end of February 2027. Primary caregivers will have access to 18 weeks from 2024, with the ability to take half pay; secondary carers will receive 8 weeks in 2024, building to 18 weeks by the end of February 2024 (Commonwealth of Australia 2024, [Women's Budget Statement](#), p.36).
- **Increase of PPL:** From 1 July 2024, two more weeks of payment will be added to PPL each year until the overall length of the scheme reaches 26 weeks by July 2026, amounting to a \$531.6 million investment (Commonwealth of Australia 2024, [Women's Budget Statement](#), p.36).
- **Administration support:** The Government is providing \$10 million to Services Australia to improve the experience of employers, particularly small business, when administering PPL.

The Australian Government's total investment in Paid Parental Leave will be approximately \$4.8 billion.

Gender implications of this budget measure

NFAW acknowledges this Government's consistent focus on applying an intersectional gendered lens to policy and practice. The current changes show the Government is focusing on the life course impact of policy, with a vision of gender equality to be reached in future decades. It is clear that the Government recognises the importance of PPL as both a gender equality measure and a means of supporting women's economic participation.

The introduction of superannuation on Commonwealth PPL is an important, and [long overdue](#), measure. Within the current superannuation system, there is an in-built gender bias that assumes continuous work history builds enough savings to live comfortably in retirement. This does not reflect women's experiences of missing out on crucial years of superannuation accumulation due to career breaks to undertake unpaid care work. Paying superannuation on

PPL invests in women’s economic security throughout their life course [without causing an inflationary risk](#) (see Superannuation paper).

One of the remaining failings of the PPL scheme is the inequitable uptake and the rate of pay for PPL, which economically disadvantages women, restricts men from spending time with their family, and may [unintentionally reinforce binary](#) or rigid gender roles.

Currently, [86 per cent of parental leave](#) is taken by women, and [international best practice](#) has shown that the ‘use it or lose it’ provision is essential to men’s uptake of PPL. Encouraging men to take up parental leave normalises flexible work and shared care responsibilities, and supports women’s workforce participation and [strengthens their financial security](#). It is also a strong economic choice — the [Grattan Institute](#) estimated that this change would boost GDP by \$900 million a year in increased workforce participation by mothers and increase the average mother's lifetime earnings by \$30,000. The inclusion of ‘use it or lose it’ policy has been effective in the Australian context. In the Australian private sector, the proportion of employer-funded primary carer leave taken by men increased by [0.6 percentage points](#) in 2022-2023, with this shift being led by large employers in male-dominated industries.

NFAW remains concerned that the level of payment continues to reflect minimum wage, rather than replacement wage. On average, men continue to [earn more](#) than women, and the low rate of pay for PPL is contributing to this gendered wealth disparity. Internationally, many of [our OECD counterparts](#) provide for full replacement wages and close to the benchmark established in [ILO Maternity Protection Convention, 2000 \(No. 183\)](#). Australia’s scheme is likely to meet the requirements of ILO 183 (although the level of payment is still low) and Australia should align to international best practice and sign on to that Convention. NFAW encourages the Government to increase the PPL payment to Average Weekly Earnings, or the parent’s actual earnings, whichever is the less.

Further, the Government should review the accessibility of the scheme, because there is a mismatch in eligibility for unpaid leave under the [National Employment Standard \(NES\)](#) and eligibility for the paid leave scheme. The NES requires a recipient to have been employed for a minimum of 12 months, whereas eligibility for the PPL payment depends on the primary carer having been employed for 10 out of the preceding 13 months. This means that some women who receive the payment have no right under the NES to return to work after their time off under the scheme.

Gender equality is deeply complex, and truly innovative policy change must account for social norm change and provide a supportive environment to accommodate it. It will also require consistent and effective monitoring and transparent evaluation of progress. Government must commit to regular reviews of the scheme.

Recommendations

NFAW calls for:

- Fathers and partners to be actively encouraged to access the scheme through effective and targeted campaigns, and in particular, by legislating and increasing the ‘use it or lose it’ period.

- A Government commitment to working towards the international best practice of 52 weeks, as recommended by the Women’s Economic Equality Taskforce’s [final report to Government](#).
- An increase in the rate of pay either to wage replacement or the average weekly ordinary time earnings, whichever is the lesser.
- The formal ratification of the ILO Maternity Protection Convention, 2000 (No. 183).
- The amendment of the NES to provide that a person who has been employed for 10 out of the preceding 13 months has the right to return to work at the same or an equivalent position as the position they held before going on leave.
- The regular review the legislation to assess progress towards the objectives of the Act.