

Community and Public Sector Union
Michael Tull – Assistant National Secretary

28 July 2015

Committee Secretary
Senate Standing Committees on Community Affairs
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Parliament House
Canberra ACT 2600

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Dear Committee Secretary

Inquiry into the Fairer Paid Parental Leave Bill 2015

The CPSU welcomes the opportunity to make a submission to this Senate Inquiry.

The CPSU represent employees in the Australian Public Service (APS), other areas of Commonwealth Government employment, ACT Public Service, NT Public Service, ABC, SBS and CSIRO. The CPSU also covers private sector workers in telecommunications, commercial broadcasting, employment services and research.

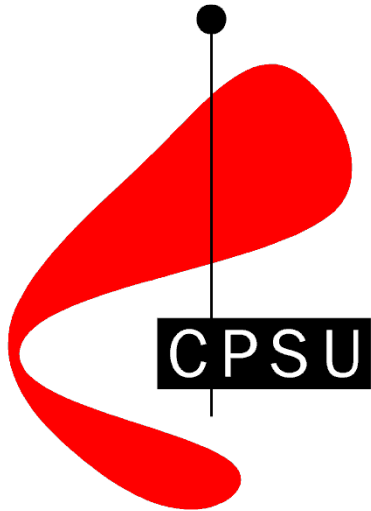
Our submission outlines why the current scheme was adopted and the significant concerns the CPSU has about the impact of the proposed Bill on our members.

The CPSU recommends that the Inquiry rejects the changes proposed in the *Fairer Paid Parental Leave Bill 2015*.

For further information please contact Dr Kristin van Barneveld, Director of Research

Yours sincerely

Michael Tull
Assistant National Secretary



CPSU (PSU Group) Submission

Inquiry into the Fairer Paid Parental Leave Bill 2015

July 2015



Introduction

There are two key changes proposed by the *Fairer Paid Parental Leave Bill 2015*, the majority of which is proposed to come into effect 1 July 2016. These are:

1. Removing all or part of a new *mother's* entitlement to the government paid parental leave payment.
2. Removing the direct connection of the Paid Parental Leave (PPL) scheme with work by removing the requirement for the employer to be paymaster.

When the changes were announced by the Treasurer on Mothers' Day 2015, public servants were specifically targeted as fraudulent 'double-dipping' beneficiaries of both an employer paid leave entitlement and the government PPL scheme.¹ This is a clear misrepresentation of the facts, and ignores the logic behind the structure of Australia's universal employment-related parental leave payment. It fails to acknowledge that Australia's first universal paid parental leave entitlement was designed as a basic scheme, complemented by more generous employer schemes to take women's wages as close to their full salary as possible. To suggest 'double dipping' by *any* employee, public or private sector, completely misrepresents the nature and design of the scheme.²

It is manifestly unfair that the proposed changes target new *mothers*, cutting their access to the government PPL payment in circumstances where they have traded off other entitlements as part of a negotiated entitlement to employer paid leave.³ The language used around this 'savings' measure in Budget Paper No.1 is extraordinary,⁴ and as many have noted, highly offensive to those who take time away from their careers to care for a new baby. Proposing that the legislation name change post-cutting entitlements to 'Fairer Paid Parental Leave' is Orwellian.

This submission:

1. Reviews the rationale for and key elements of the current scheme.
2. Provides information on how PPL interacts with any other payments.
3. Explores why the system provides for multiple sources of payment.
4. Details CPSU enterprise agreements parental leave provisions.
5. Uncovers the classification and salary level of women receiving employer entitlement and accessing the government 18 week PPL payment.
6. Briefly outlines the benefits to employees and employers of women getting 26 weeks paid leave.
7. Outlines the benefit to the economy of a universal PPL scheme.
8. Discusses the importance internationally of a universal PPL scheme.
9. Provides data on the number of weeks paid leave women are receiving.
10. Assesses the success of the current scheme.
11. Details the impact of the *Fairer Parental Leave Bill 2015* changes on new parents.

The Coalition's Paid Parental Leave Policy document of August 2013 outlines the key arguments why 26 weeks paid leave is the optimal outcome for new mothers. The Coalition position is drawn from long standing research in this area. There has been absolutely no

¹ Channel Nine (2015) Interview with Laurie Oakes, 10 March. Transcript. Available at <http://bh.ministers.treasury.gov.au/transcript/093-2015/>; Sky News (2015) Sky News First Edition, 11 May 2015. Transcript available at: <https://scottmorrison.dss.gov.au/transcripts/sky-news-first-edition>.

² ACTU Media Release 'Spectacular PPL backflip & cuts to family support payments compromise childcare package', 11 May 2015.

³ It must be noted that the Bill does not propose any changes to supporting partner leave (and nor would the CPSU support changes).

⁴ Verona Burgess, Baby dilemma as paid parental leave scheme curbed, Australian Financial Review, 20 May 2015, <http://www.afr.com/news/politics/national/baby-dilemma-as-paid-parental-leave-scheme-curbed-20150520-gh5qt7>



change between August 2013 and now as to why universal PPL of 26 weeks is no longer optimal. The CPSU position remains similar to the Coalition's position in 2013 (and 2014, and part of 2015), that new mothers should have 26 weeks leave, paid at replacement wages plus superannuation. The Bill must be rejected. Our recommendations advocate a fairer way forward.

1. Rationale for and key elements of the current scheme

The current Paid Parental Leave (PPL) scheme was proposed by the Productivity Commission in February 2009 after significant consultation over a number of years with unions, employers and the community.⁵ Until the scheme's commencement on 1 January 2010, Australia was one of only two OECD countries without any universal employee entitlement to paid parental leave.

The Productivity Commission identified three broad grounds for a paid parental leave scheme with the recommendations were specifically designed as a first step. Reviews were to be conducted to assess the scheme's effectiveness. The grounds were:

- *the improved wellbeing of families, and in particular child and maternal health, associated with an extended period of absence from work around the birth of the baby and secure financial support during this period. For a variety of reasons such as financial constraints parents cannot always take sufficient time off from work;*
- *in the face of the incentives against work provided by the social welfare and tax system, encouragement of women of reproductive ages to maintain their lifetime attachment to the workforce;*
- *the expression of community norms. This includes the view that having a child and taking time out for family reasons is part of the usual course of work and life for many people in the paid workforce, including fathers. It also encompasses the importance of valuing children. These rationales for paid leave are more contentious than others, because while survey evidence suggests most Australians would like to see the introduction of statutory paid parental leave, many also oppose it, especially when it is made clear that someone must pay for the scheme. Nevertheless, social policy provides an important rationale for a government-mandated scheme.⁶*

Key elements of the current PPL scheme are:

- 18 weeks of paid parental leave to be used up within one year of birth as one block of a continuous period of parental care.
- available for a primary carer, typically the parent, but with scope for non-parental eligibility in special circumstances.
- paid at the going adult national minimum wage (currently \$656.90) for each week of parental (or paternity) leave, subject to taxation.⁷
- funded by the taxpayer, administered by employers as paymaster.
- Subject to a 'work test' - eligibility for parental or paternity leave requires 'continuous' employment (with one or more employers) for at least 10 of the 13 months prior to expected birth, and paid work of at least 330 hours in the 10 months. The scheme covers all employees who meet the test, including the self-employed (including contractors) and casual workers.

⁵ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>

⁶ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xviii

⁷ Eligibility to access the PPL is capped at \$150,000 salary for the individual employee.

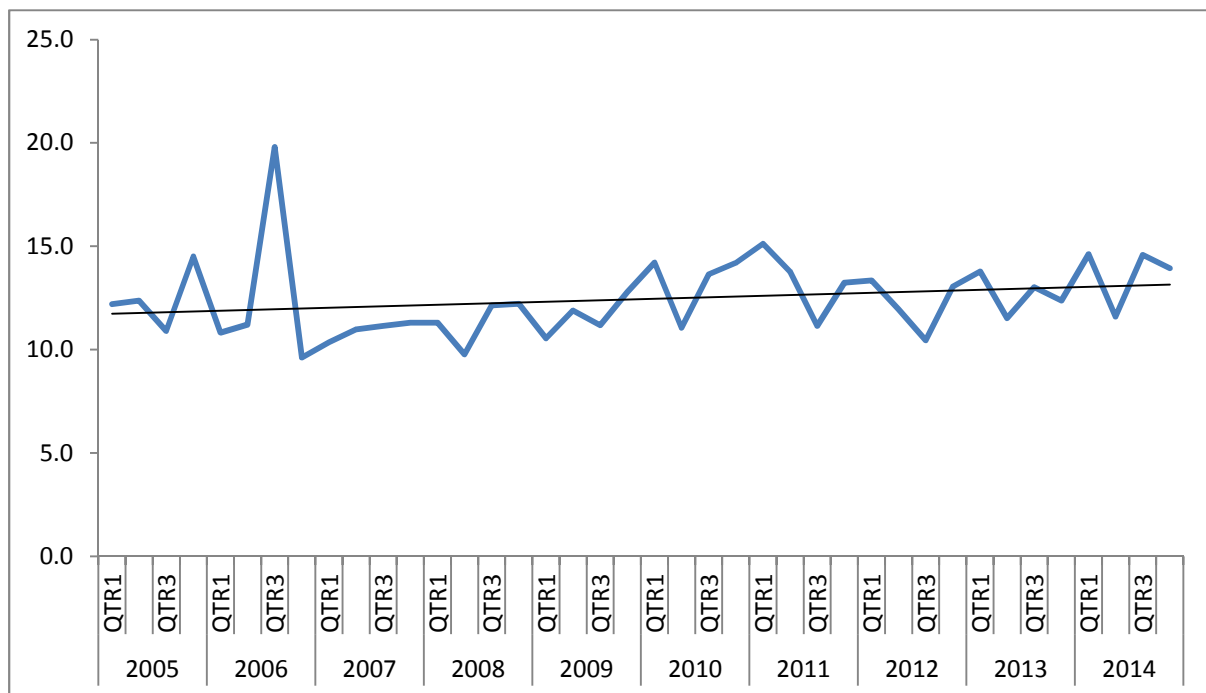


2. How does PPL interact with any other payments?

When the Productivity Commission made its recommendation, it noted that ‘roughly’ half of the workforce had an employer entitlement to paid leave.⁸ The Productivity Commission acknowledged that a major concern of some participants in the original inquiry was that enterprise agreement entitlements could be reduced or eliminated after the introduction of a publicly funded statutory scheme. The Commission noted that ‘any such ‘crowding out’ of privately negotiated leave would be problematic - the real financial gain to employees would be weakened and, with that, the expected benefits of a statutory scheme’. The Commission noted that ‘were publicly-funded leave to entirely crowd out privately funded leave in a particular business, then the desired impact on leave duration, financial circumstances and workforce participation of its employees would not be achieved. Indeed, some employees could actually be worse off if employers were to behave this way’.⁹

The operation of the scheme has shown that employers didn’t use the introduction of the PPL scheme to reduce their employer paid entitlement. Indeed, with the growth in the number of weeks paid by employers through bargaining (see Chart 1), it is clear that employers see retaining the negotiated entitlement as important, and for many women it gets them closer to the 26 weeks recommended by the World Health Organisation as optimal.

Chart 1: Agreements approved in each quarter with paid primary care givers leave, by average number of weeks



Source: Unpublished data from Trends in Enterprise Bargaining, Department of Employment

⁸⁸ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.3.27.

⁹ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.2.18i.



3. Why does the system provide for multiple sources of payment?

Most importantly, the Productivity Commission made its recommendation recognising that many 'parents already use many options, particularly access to privately negotiated paid maternity schemes and past accumulated leave to fund a period of leave from work to care for their children'.¹⁰ Indeed the 18 weeks payment was specifically recommended by the Commission to 'provide the overwhelming majority of parents (more than 90 per cent according to preliminary estimates) the option of taking at least 26 weeks of leave without undue financial stress'.¹¹

4. What do CPSU enterprise agreements provide?

Australian Public Service (APS)

The Maternity Leave (Commonwealth Employees) Act 1973 provides that APS employees receive up to 12 weeks paid leave. However this is overridden by collective agreements most of which provide for 14 weeks paid parental leave.

A number of agreements provide more generous entitlements. These include:

- 2 agreements provide 26 weeks paid maternity leave (AIFS and AFMA).
- 1 agreement provides 22 weeks paid maternity leave (ARPANSA).
- 5 agreements provide 18 weeks paid maternity leave (AHRC, DIT, MRT/RRT, DBCDE and AusAID).
- 1 agreement provides 17 weeks paid maternity leave (EOWA).
- 22 agreements provide 16 weeks paid maternity leave (SWA, AIC, AOFM, FWO, PC, Treasury, NCA, OPC, DOFD, ACCC, APSC, OAIC, Austrac, PSR, MDBA, ATO, ABS, AHL, FWA, ACMA, ASQA and AIHW).
- 8 agreements provide 15 weeks paid maternity leave (ARC, NNNT, DVA, ANAO, NMA, ASADA, RAM and NFSA).

In most cases, paternity leave of around 2 weeks is also available to the supporting partner.

Territory Public Sectors

The ACT and NT governments also provide an entitlement to paid parental leave. In the ACT government it is 18 weeks, and in the NT, employees receive 14 weeks paid leave, extending to 18 weeks for those with 5 years or more service.

Private Sector areas of CPSU coverage

Table 1 below details the entitlement in key private sector organisations where the CPSU has members.

¹⁰ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xx.

¹¹ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xxi.

**Table 1: Private Sector Employers by weeks of paid parental leave**

Organisation	Paid Parental Leave	Supporting Partner Leave
Telstra	16 weeks (after 12 months service)	2 weeks (after 12 months service)
CSL	13 weeks (six weeks before the expected date of childbirth and a compulsory period of seven weeks immediately after the actual childbirth.)	10 days
Seven Network (Operations)	6 weeks (increasing by one week per year of service until 5 years)	N/A
Vodafone	7 weeks	1 week (after 12 months service) and 2 weeks (after 18 months service)
Sensis	12 weeks	2 weeks
Medibank Private	14 weeks	2 weeks
Brisbane Airport Corporation	12 weeks (will pay difference if new scheme comes into effect & employee worse off but otherwise void if new scheme)	2 days
Queensland South Native Title Services	2 weeks	
Perth Airport	13 weeks	
Native Title Services Victoria	14 weeks	
Sydney Airport Corporation	13 weeks	3 weeks
Goethe Institute	14 weeks	6 weeks
Pfizer (Parkville)	N/A	
Network Ten	6 weeks (increasing by one year until 3 years service)	1 week
ActewAGL	14 weeks	1 week
Stellar	6 weeks	1 week
Zoetis	12 weeks	5 days
Red Bee	In accordance with Act	
Royal Flying Doctors	In accordance with Act or determined by Policy	

The data in this section shows that most, if not all, CPSU members, both in the private and public sectors receive a number of weeks of employer paid leave.

In fact, Chart 1 confirms that the APS average entitlement of 14 weeks is not out of step with entitlements negotiated in enterprise agreements more broadly – with the average entitlement across the 661 enterprise agreements¹² covering 306,858 employees that were approved in the last two quarters of 2014 being 14.6 weeks and 13.9 weeks respectively.¹³

5. Who are the women receiving employer entitlement and accessing the government 18 week PPL payment?

It is no surprise that women are close to the beginning of their careers when they have babies. Consequently, many women who have an employer entitlement to paid leave are not high earners.

¹² Public and private sector agreements combined.

¹³ Department of Employment (2015) Employment Trends Enterprise Bargaining Data – Agreements approved in each quarter with Paid Primary care givers leave, unpublished.



2008-09 is the last year the CPSU has been able to obtain data on the *classification level* of women taking maternity leave. The CPSU has no reason to believe that the classification spread of those taking maternity leave has changed significantly – if anything the (recently lifted) APS recruitment freeze and redundancies targeted at executive level employees may have shifted the average downwards.

Table 2 shows that most APS employees who take maternity leave are employed at APS 6 or below. Significantly, 2 in 5 women are classified at the APS 3-4 band.

Table 2: Ongoing staff: women taking maternity leave by classification group, 2008-09

	APS 1-2	APS 3-4	APS 5-6	EL	SES	Trainee & Grad	All
Number	110	1385	1117	732	15	2	3361
Per cent	3.3	41.2	33.2	21.8	0.4	0.1	100

Source: APSC State of Service, unpublished data

At present, (based on 31 December 2014 data¹⁴):

- APS 3-4 median salaries are \$61,512 (APS3) and \$69,239 (APS4)
- APS 5-6 median salaries are \$74,331 (APS5) and \$86,844 (APS6).

Of those taking maternity leave in 2008-09:

- 44.5 per cent were employed at APS 4 or below – these workers earn *less* than average weekly ordinary time earnings.
 - 749 (or 22.3% of those APS employees who took maternity leave in 2008-09) were from DHS and were employed at APS3-4 level.¹⁵ Today, that salary (for the general employment stream) is between a minimum of \$56,069 and a maximum of \$69,239. (Just under half of all DHS employees are at an APS4 classification (15,336 out of a total of 34,773.)
 - 176 were from the ATO and were employed at APS3-4.¹⁶ Today that salary is between a minimum of \$57,965 and maximum of \$70,144.
- A further 284 were from DHS and were employed at APS 5-6.¹⁷ Today that salary (for the general employment stream) is between a minimum of \$69,699 and a maximum of \$89,217.
- 126 were from the ATO and were employed at APS 5-6.¹⁸ Today that salary is between a minimum of \$72,056 and a maximum of \$89,400.

Combining this evidence with the data in Chart 2 below, it is clear that many APS employees taking maternity leave are on salaries below, or only slightly higher than *female* average weekly ordinary time earnings, and most are below male average weekly ordinary time earnings. That is, they are not as the Treasurer asserted on Mothers Day 2015, “earning north of \$90,000”.

¹⁴ Australian Public Service Commission (2015), APS Remuneration Report 2014, <http://www.apsc.gov.au/publications-and-media/current-publications/remuneration-surveys/aps-remuneration-report-2014/findings#t74>

¹⁵ APSC State of Service, unpublished 2008-9 data

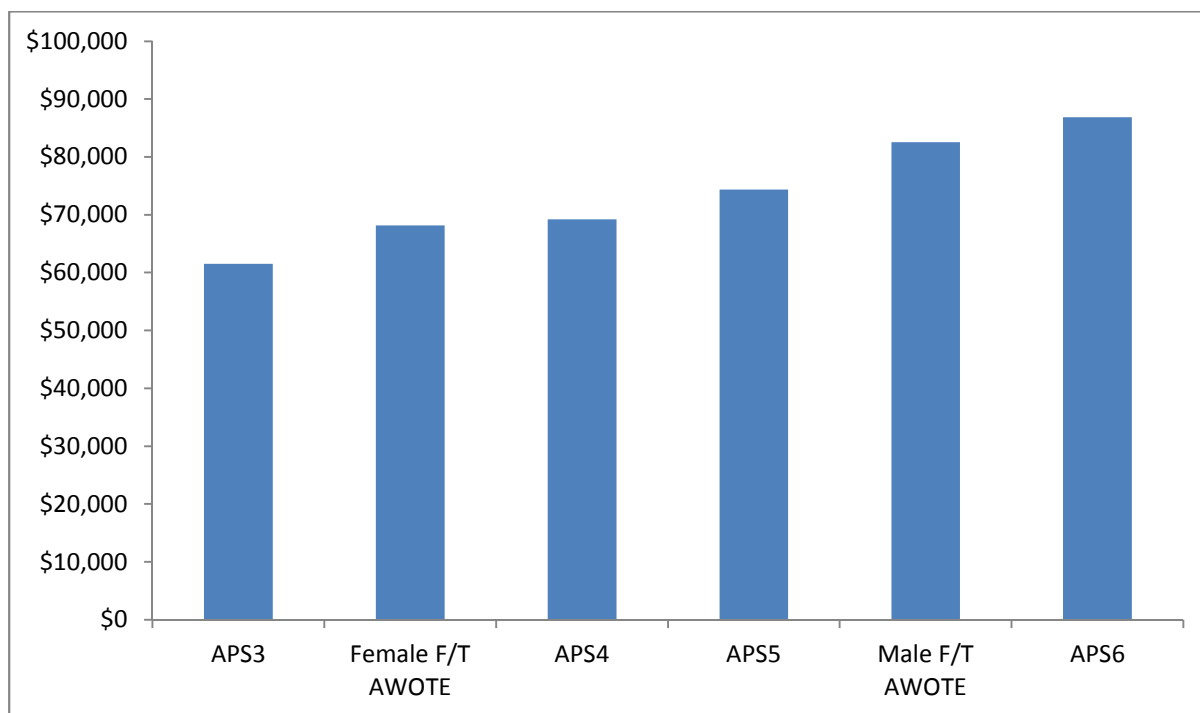
¹⁶ APSC State of Service, unpublished 2008-9 data

¹⁷ APSC State of Service, unpublished 2008-9 data

¹⁸ APSC State of Service, unpublished 2008-9 data



Chart 2: APS average salary level by classification



Source: ABS 6302.0 - Average Weekly Earnings, Australia, Nov 2014, and CPSU enterprise agreement data.
Note: Average weekly ordinary time earnings for a full time female at November 2014 were \$1,311.00. Average annual salary = \$68,172.¹⁹

Independent salary data published in the APS Remuneration Survey further confirms that the APS base salary is not high compared to private sector salaries. The most recent comparison released by the Australian Public Service Commission is from August 2011. The comparison was undertaken by Mercer.²⁰

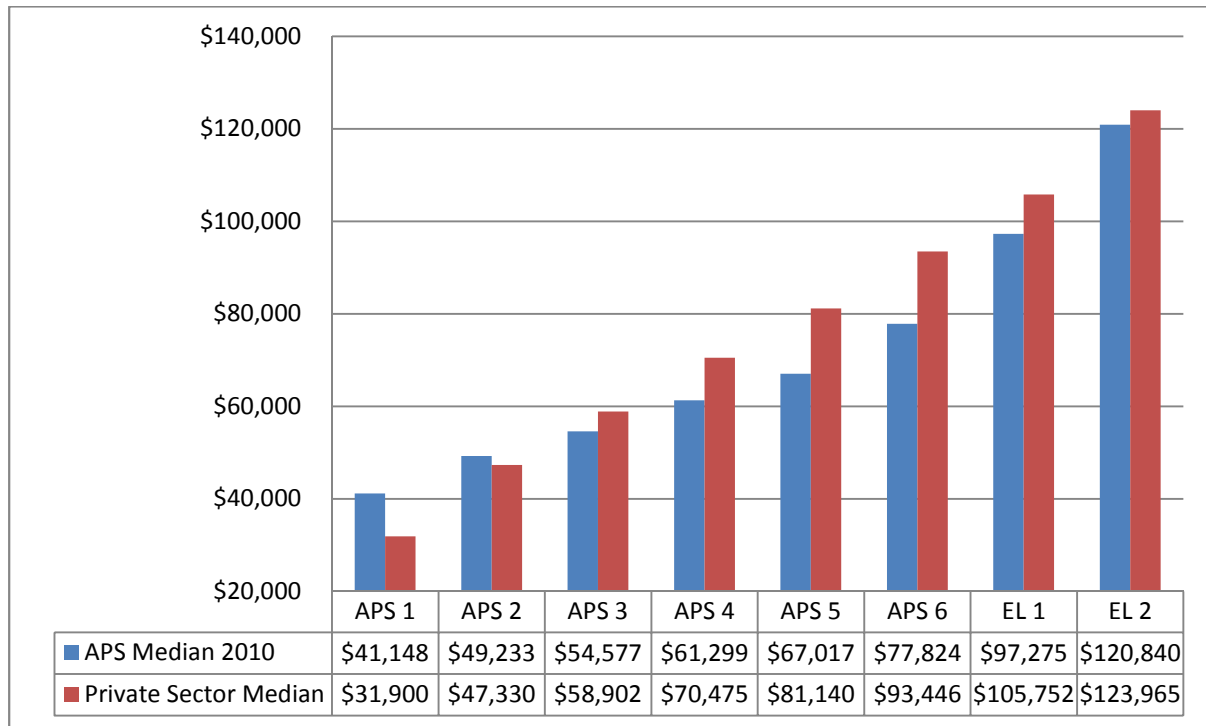
It clearly shows that the APS median base salary is below that of the equivalent private sector median (Chart 3). The gap widens even further when total remuneration packages are compared. There is nothing to indicate that this situation has significantly changed since 2010 when the data was collected.

¹⁹ Calculation of Weekly earnings x 52, from Tables 10A and 10E in Australian Bureau of Statistics, 6302.0 - Average Weekly Earnings, Australia, November 2014, , published 26 February 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>

²⁰ Mercer, 2010 Broader Market Comparison - APS SES and Non-SES Remuneration, Australian Public Service Commission Data as at 31 December 2010, August 2011, <https://resources.apsc.gov.au/2010/2010apsremunerationreportbroadermarketcomparison.pdf>



Chart 3: 2010 APS Median Base Salary Comparisons with Private Sector Median



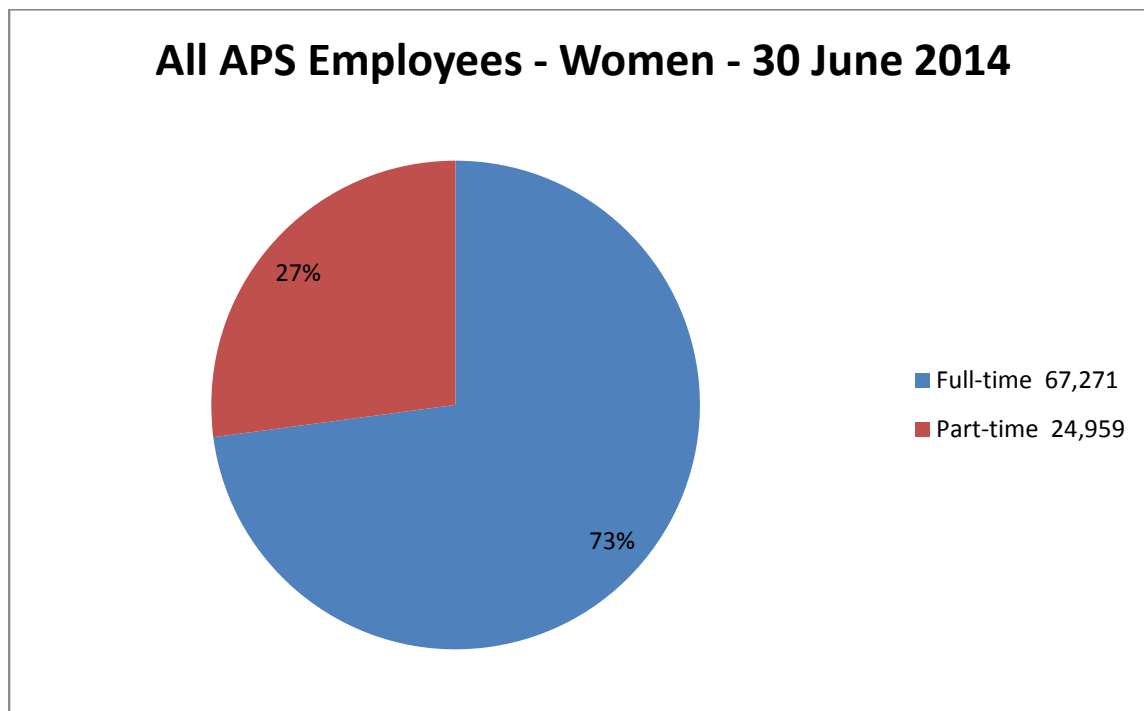
The impact of part time employment

The data above ignores the fact that many women in the APS work part time prior to taking maternity leave, particularly for subsequent births – and their lower part time salaries have not been considered in these calculations.

Recent APSC figures indicate that 24,959 or over a quarter (27.1%) of all women employed in the APS work on part-time basis (Chart 4). This means that many women are earning less than the annual full time salary at their classification. This is most evident in the Department where the largest group taking maternity leave is employed – the Department of Human Services (DHS). Of all women working at DHS, 9,397 or 37.7 per cent work part-time. Nearly a quarter of *all APS women* taking maternity leave in 2008-9 were employed in DHS.



Chart 4: Proportion of women employed in the APS by full time/part time status



Source: Australian Public Service Commission, APS Statistical Bulletin (30 June 2014)

6. What are the benefits of women getting 26 weeks paid leave?

The Coalition’s Paid Parental Leave Policy document of August 2013 adequately outlines the key arguments why 26 weeks paid leave is the optimal outcome for new mothers. The Coalition position reflects the long standing research in this area. Given these arguments are internationally accepted, have been broadly traversed in the literature²¹ and have been lauded as the optimal target by the major Australian political parties, the section below provides just a brief summary.

Health and Bonding benefits

The Coalition policy notes, ‘at 26 weeks, the Coalitions, paid parental leave scheme is consistent with recommendations from the Australian National Health and Medical Research Council (NHMRC) and the World Health Organisation (WHO) that the minimum period of exclusive care and breastfeeding for optimal maternal and infant health outcomes is six months’.

In terms of the health of new mothers, the Phase 1 Evaluation Report of the Paid Parental Leave scheme concluded that women who took between 13 and 26 weeks parental leave were more likely to report that they were suffering from mental distress for up to two years than women who took more than 26 weeks.²²

It is, in our view, indisputable that 26 weeks paid leave, at a minimum, is the aim.

²¹ For a summary refer to the Productivity Commission research on Paid Parental Leave. As see the 4 iterations of the PPL Evaluation Reports funded by the Department of Social Services and conducted by a number of eminent Australian academics under the guidance of the Institute for Social Science Research, University of Queensland.

²² FAHCSIA (2012) Paid Parental Leave evaluation: Phase 1 , Occasional Paper 44, https://www.dss.gov.au/sites/default/files/documents/06_2012/op44.pdf



Attraction and retention

The Australian Public Service Commission (APSC) in its submission to the Productivity Commission Inquiry in 2008/9 noted that 'the APS has provided paid maternity leave since 1973 and has progressively introduced a range of flexible working conditions to help all employees, including new parents, balance work and life responsibilities. There is strong evidence that these provisions are highly valued by employees and are helpful to retaining them in the APS'.²³

In the private sector ACCI for example, has noted the positive impact on attraction and retention of employer paid leave.

Further, it has been suggested that, for employees in regional areas, paid leave plays an important role in replacing the role that may otherwise be played by family members. Specifically, in response to Treasurer Hockey's announcement that the PPL would be cut for some employees, Broken Hill Labor Councillor Darriea Turley noted that young professionals who moved to regional areas did not always have a support network close by, and relied on the paid leave.²⁴ Of course, in these cases the PPL payment also provides a retention benefit to employers.

Family friendly reputation of APS

Access to leave and other entitlements contribute to whether organisations are considered a 'family friendly employer' by prospective employees. The APS has long promoted itself as an employer committed to family friendly and flexible policies.²⁵

Public sector employees across Australia are more likely to be granted a wider range of leave entitlements than are employees in other sectors, in particular the private sector.²⁶ The proposed changes to paid parental leave would damage the image of the public sector as a family friendly employer – and present attraction and retention issues.²⁷

It's not that expensive

The APS Statistical Bulletin reported that 4,057 ongoing female APS employees were on maternity leave at 30 June 2014²⁸. Assuming that the same number of ongoing APS employees are on paid parental leave after 1 July 2015 and are eligible to receive the total of \$11,826 (18 weeks at minimum wage), the total cost would be \$47,978,082.

²³ APSC (2008) Submission to Productivity Commission Inquiry into Paid Maternity, Paternity and Parental Leave, <http://www.pc.gov.au/inquiries/completed/parental-support/submissions>, p.1.

²⁴ Gayle Ball, Broken Hill Labor bemused at Federal crackdown on parental leave, ABC News, 11 May 2015, <http://www.abc.net.au/news/2015-05-11/broken-hill-labor-party-bemused-at-federal-crackdown-on-parental/6459360>

²⁵ APSC (2013), Better, Faster: streamlining recruitment in the APS, 13 August 2013, <http://www.apsc.gov.au/publications-and-media/current-publications/streamlining-recruitment>

²⁶ APSC (2013), State of the Service 2012-13, Chapter Four: How employee health and wellbeing affects organisational productivity, 2 December 2013, <http://www.apsc.gov.au/about-the-apsc/parliamentary/state-of-the-service/sosr-2012-13/chapter-four/how-employee-health-and-wellbeing-affects-organisational-productivity>

²⁷ Marie Sansom, Women to desert public sector for corporates if maternity leave slashed, GovernmentNews, 19 May 2015, <http://www.governmentnews.com.au/2015/05/women-to-desert-public-sector-for-corporates-if-maternity-leave-slashed/>

²⁸ Table 19, in APSC (2014), APS Statistical Bulletin 2013-14, September 2014, <http://www.apsc.gov.au/about-the-apsc/parliamentary/aps-statistical-bulletin/aps-statistical-bulletin-2013-14/section-three/table-19>



Considering that estimated total employee expenses in 2015-16 (wages and salaries plus other operating expenses) will be \$23,311m²⁹, the cost of having the 18 week PPL scheme for APS employees is less than 0.2% of total employee expenses in 2015-16.

Overall, in 2014–15, the Government's scheme is expected to cost \$1.9 billion.³⁰ While this figure may seem high, it is in line with the Productivity Commission's estimates of the scheme's cost and when offsets are taken into account, the net costs are much less – particularly with the abolition of the baby bonus combined with tax and welfare savings.³¹

According to the Productivity Commission, a scheme costing a net \$310 million represented around 6 cents in every \$100 of annual employee compensation or around \$30 per employee per year (in 2007-08 terms) and would represent a tax impost of around \$22 per taxpayer per year.³² These costs are, of course, offset by the economic and productivity advantages discussed below.

7. What is the benefit to the economy?

Productivity

Parental leave has a positive effect on productivity. According to the OECD, it increases productivity by making it easier for parents to balance paid work with family responsibilities. Conversely, in the absence of paid parental leave, working women may leave the workforce completely, reducing their total work experience and accumulated skills.³³

Labour force participation

International evidence shows that the availability of paid parental leave is associated with enhanced longer-term labour force participation for women. Studies carried out in developed economies have shown that female labour force participation is influenced by maternity leave. A study in Germany, for example, found a positive and significant correlation between paid parental leave and return to the workforce after giving birth.³⁴ Similarly, studies on the relationship between maternity leave and employment outcomes in Canada have shown increased likelihood of mothers returning to the labour force.³⁵

²⁹ 2015-16 Budget, Budget Paper 1: Budget Strategy and Outlook, Statement 9, http://www.budget.gov.au/2015-16/content/bp1/html/bp1_bs9-01.htm

³⁰ Luke Buckmaster, Parental Leave Pay, Parliamentary Library, May 2015, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516/ParentalLeave#_ftn2

³¹ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xiv. Note that the Commission initially estimated that the annual gross costs to the Government of the scheme would be about \$1.3 billion. In net terms, the cost to taxpayers would be around \$310 million, factoring in tax and welfare savings and baby bonus offsets.

³² Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xiv.

³³ OECD (2007), More Jobs but Less Productive? The Impact of Labour Market Policies on Productivity, OECD Employment Outlook, <http://www.oecd.org/employment/emp/40776638.pdf>

³⁴ OECD Development Centre (2013), How do maternity leave and discriminatory social norms relate to women's employment in developing countries?, June 2013, [http://www.oecd.org/dev/poverty/OECD%20DEV%20\(2013\)%20-%20SIGI%20and%20Maternity%20Leave.pdf](http://www.oecd.org/dev/poverty/OECD%20DEV%20(2013)%20-%20SIGI%20and%20Maternity%20Leave.pdf)

³⁵ OECD Development Centre (2013), How do maternity leave and discriminatory social norms relate to women's employment in developing countries?, June 2013, [http://www.oecd.org/dev/poverty/OECD%20DEV%20\(2013\)%20-%20SIGI%20and%20Maternity%20Leave.pdf](http://www.oecd.org/dev/poverty/OECD%20DEV%20(2013)%20-%20SIGI%20and%20Maternity%20Leave.pdf)

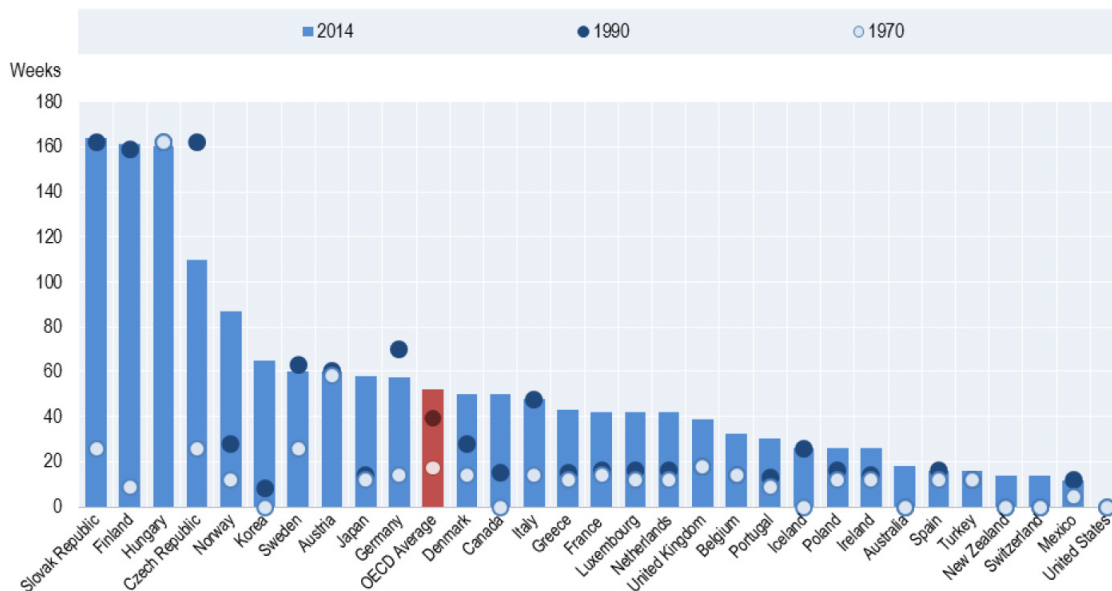


8. How will it affect our international standing?

According to the OECD, Australia lags well behind the OECD average in length of paid leave available to mothers (Chart 5).³⁶ Further, decreasing the amount of PPL is rare and never cut without the overall family benefit increasing:

*Indeed, in only four countries (the Czech Republic, Germany, Hungary, and Sweden) is the current length of paid leave available to mothers shorter than at either of the other two points in time. In Sweden this can again be explained by the introduction of ‘father-quotas’ on parental leaves. In the Czech Republic and Germany, meanwhile, the drop in the length of paid leave is due to the introduction of payment scheme options, which allow parents to receive a higher payment rate while on leave but for a shorter period of weeks. Broadly though, the trend across OECD countries is for increase and expansion in the length of paid leave available to mothers.*³⁷

Chart 5: Weeks of paid leave available to mothers, 1970, 1990 and 2014, OECD



a) Information refers to weeks of paid maternity leave and any weeks of paid parental leave and paid home care leave (sometimes under a different name, for example, “childcare leave” or “child raising leave”, or the Complément de Libre Choix d’Activité in France) that are available to mothers.

The Coalition, in its August 2013 Paid Parental Leave policy document, noted that ‘of the 34 countries in the ... OECD, 33 offer paid parental leave schemes. **Of these 33 countries, Australia is one of only two that fails to pay leave based on a replacement wage** (original emphasis). By offering only minimum wage, Australia is left to lag economically behind its major OECD competitors’.³⁸

It is also worth noting that Australia already has amongst the lowest levels of labour force participation in the OECD for women of prime childbearing age.³⁹ The introduction of the

³⁶ OECD Family database www.oecd.org/social/family/database.htm OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs, May 2015

³⁷ OECD Family database www.oecd.org/social/family/database.htm OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs, May 2015

³⁸ The Coalition’s Policy for Paid Parental Leave, August 2013, <http://lpaweb-static.s3.amazonaws.com/The%20Coalition%E2%80%99s%20Policy%20for%20Paid%20Parental%20Leave.pdf>

³⁹ Institute for Social Service Research (2014), PPL Evaluation: Final Report, University of Queensland, November 2014, https://www.dss.gov.au/sites/default/files/documents/03_2015/finalphase4_report_6_march_2015_0.pdf



PPL scheme was one measure to address the low level labour force participation. Attempts to scale it back may see Australia continue to lag behind other OECD nations.

The proposed changes in the *Bill* will make Australia stand out among comparable countries, for all the wrong reasons.

9. Are women getting close to the 26 weeks paid leave that is recommended?

For most APS and Territory public sector employees, combining their entitlement with 18 weeks at minimum pay, does not equate to 26 weeks at full pay. Of course, removing their access to the 18 week PPL entitlement will take them much further away from this goal.

A new mother employed at the *top* rate of pay for an APS4 in the Department of Human Services:

- is paid 14 weeks by her employer at replacement wages ($=((\$69,239/52)*14)$, or \$1332.60 per week, gross).
- receives 18 weeks at minimum wage of \$656.90 (a total of \$11,824.20, also taxed).
- calculated as a replaced wage rate = 22.9 weeks pay.

A new mother employed at the *top* rate of pay for an APS6 at the Australian Taxation Office:

- is paid 16 weeks by her employer at replacement wages ($=((\$89,400/52)*16)$, or \$1719.20 per week, gross).
- receives 18 weeks at minimum wage of \$656.90 (a total of \$11,824.20, also taxed).
- calculated as a replaced wage rate = 22.9 weeks pay.

Almost all APS and Territory employees,⁴⁰ even with employer payments of 14-18 weeks at replacement wages, do not receive payments at internationally recommended amount of 26 weeks at replacement wages. In fact, a new mother with an employer paid leave entitlement of 14 weeks would need to earn around \$51,410 *or less* per annum for the PPL plus their employer entitlement to equate to 26 weeks at replacement wages – well under average weekly earnings.

For those in the private sector it is difficult to calculate how many weeks at replacement wages are reached combining the employer payment with the PPL payment. However, data from the Workplace Gender Equality Agency data⁴¹ notes that:

- In approximately 90.7 per cent of cases, the employer pays a parental leave entitlement in addition to PPL. It is estimated that these women receive an average of 9.8 weeks on full pay and 18 weeks on minimum wage.
- In 6 per cent of cases the employer pays the difference between the minimum wage and the employee's actual salary. It has been calculated that these women receive on average 12.3 weeks on full pay and a further 5.7 weeks on minimum wage.

10. Has the PPL scheme worked?

At the time of the final report, the Productivity Commission estimated that the average absence from work would increase by ten weeks as a result of the 18 week PPL scheme.

⁴⁰ As noted in Section 4 of this submission, there are only 3 APS enterprise agreements that provide more than 18 weeks employer paid leave. These are at the Australian Institute of Family Studies and the Australian Fisheries Management Authority where 26 weeks are paid by the employer at replacement wages, and at the Australian Radiation Protection and Nuclear Safety Agency where employees receive 22 weeks at replacement wages. It must be noted that these agencies employ very few female staff of child bearing age between them.

⁴¹ Based on Women on Boards Traffic Lights Index 2013 and WGEA "The 'how to' guide to employer-provided paid parental leave" http://www.wgea.gov.au/sites/default/files/2013-05-10_branded_ppl.pdf



The Commission also noted that the effect of the PPL scheme on extending the duration of leave would be 'greater for lower income, more financially constrained families. They are a particular target of this policy since they often have low representation in privately negotiated paid parental leave schemes'.⁴² The Commission also noted that 'even where the scheme does not significantly increase leave durations, it would nevertheless increase family incomes, with benefits for child welfare'.⁴³

Reflecting this, the Coalition government's 2015 PPL briefing note comments that, 'the PPL evaluation findings show that mothers with higher incomes are more likely to have employer-provided maternity leave. The evaluation found that, these mothers did not significantly change their leave-taking behaviour after PPL was introduced'. This is contrary to the ISSR Evaluation Report itself which states that "*one of the key findings of the evaluation was that PPL had a clear effect of delaying mothers' return to work up to about six months after the birth of their baby.*"⁴⁴ In response to questions in Senate Estimates, Finn Pratt, Departmental Secretary for the Department of Social Services commented that "*certainty the high level evaluation finding is that PPL has been successful in assisting mothers to stay home with their children longer.*"⁴⁵

Even if some 'mothers did not significantly change their leave-taking behaviour after PPL was introduced', this outcome was predicted by the Productivity Commission in the Final Report and is not a reason to throw the baby out with the bathwater. That there may be a small group of women whose behaviour has not significantly changed as a result of the scheme does not justify wholesale changes that cut or eliminate the entitlement to PPL for around 79,000 women.

11. What is the impact of the *Fairer Parental Leave Bill 2015* changes?

As noted at the outset, the two key changes proposed by the *Bill* are:

1. Cutting the current entitlement of 18 weeks for some employees – 'the maximum period for which any person may be paid parental leave is 18 weeks. A person's PPL period may be the full 18 weeks or a lesser period (e.g. where the person is not eligible for parental leave pay for that full period)' by adding that the 18 weeks is lesser when the person 'is entitled to primary carer pay in respect of the child'.
2. The *Bill* removes the *obligation* on employers to pay instalments to an employee by deleting s207. Rather it is proposed that Part 3-5 only require an employer to pay instalments to an employee if '*the employer has made an election to pay instalments to the person*'.
 - a. At present the PPL payment is linked by the work test to employment and it is taxed as ordinary earnings, with the employer as paymaster. The *Bill* allows employers to opt out of the paymaster role, but fails to address the complexity around taxation arrangements that will inevitably arise for the new parents.

⁴² Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xxii.

⁴³ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xxii.

⁴⁴ Finn Pratt, Department of Social Services, Senate Estimates Hansard, 4 June 2015

⁴⁵ Finn Pratt, Department of Social Services, Senate Estimates Hansard, 4 June 2015



Impact on new parents

- Around 90,000 will continue to be eligible for PPL as they receive no additional paid parental leave apart from the government payment of 18 weeks' pay at the minimum wage.⁴⁶
 - Of those, about eight per cent work in the public sector and 92 per cent work in the private sector, and their median income is around \$39,000 per year.
- Around 45,000 women who have access to employer-provided maternity leave, which is valued less than the full 18 weeks at the national minimum wage, will be eligible to receive a top-up, a partial PPL payment.
 - About 38 per cent of them work in the public sector and 62 per cent work in the private sector. The median income of these women is \$43,000 per year.⁴⁷
- Around 34,000 women, because they have access to employer-provided maternity leave valued greater than the full PPL amount.
 - Of those women, 61 per cent work in the public sector and 39 per cent work in the private sector and their median income is around \$73,011 per year.^{48,49}

If the Bill is passed, an APS employee earning \$44,058 with 14 weeks paid parental leave would completely lose access to the Government scheme because they receive more than \$11,826 in paid parental leave from their employer.

Example 1:

New mother working at DHS employed at APS 4, earning the minimum of \$62,493, with 14 weeks employer entitlement:

- $(\$62,493 \times 12) / 313 = \text{fortnightly salary}$
- $(\text{Fortnightly salary} / 2) \times 16 \text{ weeks} = \$16,771$

As \$16,771 is greater than \$11,824, the mother will have no access to the government scheme

Example 2:

New mother working at the ATO employed APS 6, earning the maximum of \$89,400 with 16 weeks employer entitlement:

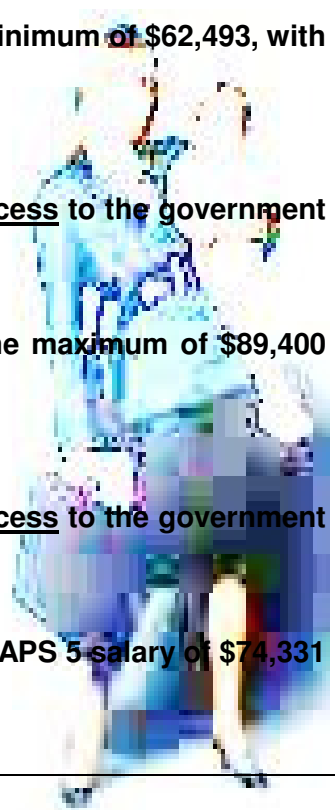
- $(\$89,400 \times 12) / 313 = \text{fortnightly salary}$
- $(\text{Fortnightly salary} / 2) \times 14 \text{ weeks} = \$27,420$

As \$27,420 is greater than \$11,824, the mother will have no access to the government scheme.

Example 3:

New mother who works part-time (3 days a week) on a median APS 5 salary of \$74,331 with 14 weeks employer entitlement:

- $((\$74,331 \times 12) / 313) \times 0.6 = \text{fortnightly salary}$
- $(\text{Fortnightly salary} / 2) \times 14 \text{ weeks} = \$11,969$



⁴⁶ AAP, How does paid parental leave work?, 18 May 2015, <http://www.sbs.com.au/news/article/2015/05/18/how-does-paid-parental-leave-work>

⁴⁷ Tom Iggulden, Budget 2015: More changes to paid parental leave under 'Jobs for Families', Lateline, 11 May 2015, <http://www.abc.net.au/lateline/content/2015/s4233827.htm>

⁴⁸ Tom Iggulden, Budget 2015: More changes to paid parental leave under 'Jobs for Families', Lateline, 11 May 2015, <http://www.abc.net.au/lateline/content/2015/s4233827.htm>

⁴⁹ Senate, Community Affairs Legislation Committee, Budget estimates 2015-16, http://www.aph.gov.au/~media/Committees/clac_ctte/estimates/bud_1516/report/report.pdf, p.23



As \$11,969 is greater than \$11,824, the mother will have no access to the government scheme.

Impact on employers

More broadly the Productivity Commission noted that 'business generally should benefit from the scheme through higher employee retention rates'.⁵⁰

When the proposed changes were announced, ACCI suggested that employers will respond to new restrictions on paid parental leave by dumping their own schemes,⁵¹ by potentially taking away the additional 9 weeks parental leave that employers provide, on average, effectively reducing leave from 27 to 18 weeks. This will make a real difference to new mothers.⁵²

Impact on administrative complexity

- Where employer does not opt to be paymaster?

The Bill removes the requirement for employers to be paymaster – employees will be paid directly by the Department of Human Services, 'unless an employer opts in to provide parental leave and an employee agrees to their employer paying them'. The Explanatory Memorandum to the Bill suggests that removing the employer paymaster role will have 'a financial impact of \$7.0 million over 5 years' – i.e. an increased cost to government.⁵³

The PPL scheme was established very deliberately as an employment related payment rather than a welfare payment. The Coalition's own policy document from August 2013 notes the economic importance of paid parental leave: 'there's no doubt, a ready way to increase Australia's productivity is to increase the participation (part time and full time) of women in the paid workforce which is why paid parental leave is an economic driver and should be a workforce entitlement, not a welfare payment'. Despite this, the Coalition's Policy Document of August 2013 did propose that the Family Assistance Office administer the payments to remove any administrative burden from employers.

In its Final Report, the Productivity Commission noted that the only immediately implemented obligation of employers relates to their function as 'paymasters' for government. However, this obligation would not extensively impact on employers since 'the overwhelming majority of employing small businesses (some 96 per cent) do not have an employee giving birth in any given year. So small business would mostly not face any costs from parental leave'. In the more contemporary Regulation Impact Statement for the *Fairer Paid Parental Leave Bill 2015* it is noted that staff hours required to implement the PPL scheme have varied 'from 4 hours for medium size business, to 5 hours for small business and 7 hours for large business'. Further, the median cost identified by all organisations to

⁵⁰ Productivity Commission (2009) Paid Parental Leave: Support for Parents with Newborn Children, Inquiry Report No.47, February, <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>, p.xxxvi.

⁵¹ Joanna Mather, Budget 2015 employers will dump parental leave business leaders say, Australian Financial Review, <http://www.afr.com/news/policy/budget/budget-2015-employers-will-dump-parental-leave-business-leaders-say-20150512-ggyq2d>

⁵² Karleen Gribble, Parental leave cuts undermine breastfeeding and child health, at all Australians' expense, The Conversation, 14 May 2015, <http://theconversation.com/parental-leave-cuts-undermine-breastfeeding-and-child-health-at-all-australians-expense-41617>

⁵³ Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2015, p.1



implement the scheme was \$350.⁵⁴ Given the limited impact on employers, it is hard to justify converting an employment related payment into a welfare payment.

Despite this limited impact on small business, indeed on business of any size, the rationale in the Bill for removing the employer paymaster role is given as ‘in their feedback to the Paid Parental Leave review, employer and industry groups generally did not support the employer role, particularly in relation to small business’.⁵⁵ It is our view that there is insufficient evidence that having the employer as paymaster imposes an insurmountable imposition on business, and that any imposition does not replace the benefits from having the payment directly connected to employment.

Impact on budget ‘bottom line’

According to the Explanatory Memorandum to the Bill, the financial impact over the forward estimates is a saving of \$967.7 million.⁵⁶ Table 3 shows savings per financial year:

Table 3: Savings over the Forward Estimates per year

Year	2015-16	2016-17	2017-18	2018-19
Savings (\$)	9.8	-267.6	-342.8	-367.1

Considering the Government scheme was estimated to cost \$1.9 billion in 2014-15,⁵⁷ the savings are likely to be around 15 per cent of the cost of the current scheme in 2016-17. A 15 per cent cost saving will leave many families worse off, affecting nearly half (47%) of new mothers who are currently eligible.

Rather than unfairly target new mothers with a minimal ‘savings’ measure, the government should look to other revenue changes including properly funding the Australian Taxation Office to ensure corporations pay their fair share of tax, or the introduction of a Buffett Rule.⁵⁸

Impact on child care

In the 2015-16 Budget, the Commonwealth announced that the savings from the paid parental leave scheme would go towards its childcare package. However, the savings outlined in the forward estimates do not take into account the additional pressures that will be placed on the childcare system by wiping out (part or all of) the entitlement to the PPL for nearly 80,000 working mothers. In other words, the *Bill* ignores the Productivity Commission’s October 2014 Report into Childcare which concluded ‘that the introduction of the paid parental leave (PPL) scheme delayed mothers return to work during the first 6 months following a birth. Consequently more mothers stayed at home for at least 18 weeks after the birth of their baby’.⁵⁹

⁵⁴ Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2015, p.2-3.

⁵⁵ Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2015, p.15.

⁵⁶ Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2015, p.1.

⁵⁷ Luke Buckmaster, Parental Leave Pay, Parliamentary Library, May 2015,

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516/ParentalLeave#_ftn2

⁵⁸ Phillip Coorey, Australian Labor Party backs Warren Buffett inspired 35 per cent tax on the rich, Australian Financial Review, 24 July 2015, <http://www.afr.com/news/politics/australian-labor-party-backs-warren-buffett-inspired-35-per-cent-tax-on-the-rich-20150724-gijglz>

⁵⁹ Productivity Commission (2014), Report into Childcare and Early Childhood Learning - Volume 1, October 2014, p.195, <http://www.pc.gov.au/inquiries/completed/childcare/report/childcare-volume1.pdf>



If the 18 weeks PPL government payment was not available, there would clearly be an increased demand for child care – whether formal or informal - for babies under 6 months.⁶⁰

While the government claims 240,000 families will get into work or work more as a result of its child care package,⁶¹ there is nothing to indicate that there will be a commensurate increase in the number of child care places. *It does not directly create any new places.* Further, the impact of the PPL cuts on childcare was *not* modelled in preparing the proposed changes to PPL included in the 2015-16 Budget.⁶²

Table 4: Summary data on childcare

Percentage of women who would have taken more time away from work if they had access to more paid leave. ⁶³	79%
Percentage of children under 2 who usually attend formal child care ⁶⁴	22%
Percentage of children under 2 who usually had informal child care ⁶⁵	32%
Estimated number of children born last year with working mothers/primary carers	170,000
Lose access to Government PPL scheme	34,000 (20%)
Partially lose access to the universal PPL scheme	45,000 (27%)
Total number affected by proposed changes to universal PPL scheme	79,000 (47%)

Calculation of the impact of PPL changes on childcare

If 79,000 women returned to work earlier, there would be increased demand for child care:

- If 79 per cent of women say they would take more time if they had more paid leave, the 79 per cent of these 79,000 babies potentially need child care of some form = **62,410**.
- If 22 per cent of children under the age of 2 usually attended formal childcare, then a further **13,730** child care places would be needed.⁶⁶
- Significant pressures would be placed on the informal sector – with family/friends/neighbours/nanny's being called upon to look after **19,971** babies sooner than they might otherwise have.

⁶⁰ Table 18 in Australian Bureau of Statistics, **4402.0 - Childhood Education and Care, Australia, June 2014**, , published 28 April 2015 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4402.0>

⁶¹ News.com.au, Federal Budget 2015: Government unveils Jobs for Families package, 11 May 2015, <http://www.news.com.au/finance/economy/federal-budget-2015-government-unveils-jobs-for-families-package/story-fn84fgcm-1227349245565>

⁶² Senate Community Affairs Committee, Answers to Estimates Questions on Notice Social Services Portfolio 2015-16 Budget Estimates Hearings Outcome Number: 2.4 Support for Child Care System Question No: SQ15-000523 Topic: Interaction of PPL and child care changes.

⁶³ FAHCSIA (2012) Paid Parental Leave evaluation: Phase 1 , Occasional Paper 44,, p.54, https://www.dss.gov.au/sites/default/files/documents/06_2012/op44.pdf

⁶⁴ Australian Bureau of Statistics, **4402.0 - Childhood Education and Care, Australia, June 2014**, published 28 April 2015

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4402.0Main+Features1June%202014?OpenDocument>

⁶⁵ Australian Bureau of Statistics, **4402.0 - Childhood Education and Care, Australia, June 2014**, published 28 April 2015,

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4402.0Main+Features1June%202014?OpenDocument>

⁶⁶ Note: this estimate uses the ABS 22% figure - all *children* aged 0-2 years are in formal childcare. The 22% is a guide only because 1) the babies 0-2 years of women returning to work may be more likely to be placed in formal care so using 22% is an underrepresentation and/or 2) the ABS figure could be weighted towards older children and 22% may be an over-representation of babies under 6 months.



12. Recommendation

The CPSU recommends that the Inquiry reject the changes proposed in the *Fairer Paid Parental Leave Bill 2015*. It is clear that these changes are anything but fair.

The PPL scheme was designed as a minimum scheme; to be complemented by employer negotiated paid leave, with the aim of getting new mothers as close to the optimum of 26 weeks paid leave. The *Fairer Paid Parental Leave Bill 2015* eliminates the universality of the scheme, rendering it a welfare payment rather than a work-related payment by removing the paymaster obligation on employers. If passed, the *Bill* will significantly reduce the amount of paid time tens of thousands of working mothers can spend with a new baby.

The CPSU submission shows that a significant proportion of CPSU members who receive both the PPL and an employer entitlement are paid well below average weekly earnings. Rather than enable women to get closer to the optimal 26 weeks, the *Bill*, if enacted, will result in many returning to work sooner. The impact of the changes will extend beyond the immediate family: to the ability of employers to retain women in the workforce; negative effects on economy productivity, the labour force participation of women and on Australia's international reputation; and, significantly increased pressure on the formal and informal childcare sectors.

In August 2013, the Coalition's Policy for Paid Parental Leave acknowledges that 'the period following the birth of a child is one of the hardest financially for parents. With the majority of mothers now in paid employment immediately prior to giving birth, many families cannot easily forgo a second income, even temporarily, without putting the financial security of their family at risk'. The Coalition proposed for mothers, '26 weeks paid parental leave, at their actual wage or the national minimum wage (whichever is greater), plus superannuation'. Further, the Policy notes that '**...anything less than an actual wage payment would mean that we, as a nation, don't take supporting women and their families seriously**'.

Consistent with the Coalition Policy document, the CPSU supports a long term objective of 26 weeks replacement wages, fully tax payer funded. In the interim, the CPSU proposes:

1. 26 weeks paid at the national minimum wage as the, Australian Government Parental Leave Payment.
2. 4 weeks paid at the national minimum wage as the Australian Government Dad and Partner Payment (DAPP) – to accelerate the culture change around the role of fathers in raising children.
3. Extension of the DAPP "top up" provisions to PLP – to enable both parents, not just Dads, to maintain workforce attachment with their employer during their parental leave.
4. Superannuation for both payments – to contribute to retirement income, particularly among women.⁶⁷
5. No restrictions on bargaining rights or employer voluntary additions adding to these payments – to enable employers to position themselves as Employers of Choice and attract and retain workers.

⁶⁷ The Coalition's own policy document notes the importance of superannuation being paid on periods of paid parental leave – 'because the Coalition's scheme includes superannuation, a woman earning the average full-time female salary of \$65,000 who has a child at 26 years of age and another at 29 years of age will be around \$50,000 better off in retirement than she would have been under Labor's scheme, which does not include superannuation'.