

The Federal Government Paid Parental Leave Scheme

The ASU welcomes the Government's decision to make parental leave compulsory from January 2011. However, while the 18-week scheme is a step in the right direction, further bargaining will still proceed to push towards a goal of 26 weeks' paid parental leave, a figure endorsed by the World Health Organisation.

In these tough financial times, getting 18 weeks' paid leave for the primary parent is a positive. Getting time to bond with your child is very important and it is about time that a country like Australia put plans of this nature in place.

KEY ASPECTS OF THE GOVERNMENT'S PAID PARENTAL LEAVE SCHEME

What is the model?

- 18 weeks' paid leave at the federal minimum wage (\$543.78 per week or \$9,792) subject to tax
- No Baby Bonus or Family Tax Benefit B for Paid Parental Leave Scheme recipients
- Paid Parental Leave Scheme is in addition to existing employer paid parental leave schemes

Who is eligible?

- The model is means tested with primary care givers earning more than \$150,000 ineligible
- There is no paid paternity leave but paid parental leave may be shared between parents and primary carers

- You are eligible for the Scheme on completion of 330 hours work (1 day per week) for 10 months in the 13 months prior to birth. This can also include multiple employers

When?

- Implementation date is 1 Jan 2011

Who Pays?

- The total cost to government is \$260m (compared to an estimated cost of the Productivity Commission model of \$450m)
- The cost to government per recipient is \$9,792
- Mothers not in paid employment are eligible for the \$5,000 Baby Bonus (which is tax free and does not affect eligibility for Family Tax Benefit B – a total cost to government of around \$10-12,000) depending on Family Tax Benefit B entitlement in the year following birth
- There are no employer costs (the government is to reimburse payment via normal wages)
- There are no employer super contributions contrary to the recommendations of the Productivity Commission.

What does this mean for ASU members?

The ASU will continue to bargain in several key areas to ensure members receive the best possible outcomes to complement the Government's decision to fund a Paid Parental Leave Scheme:

- Bargaining to maintain current entitlements of ASU members regarding paid parental leave in existing EBAs
- Bargaining for employer superannuation contributions for the 18-week leave period
- Bargaining for employer top up of the federal minimum wage rate to full income replacement
- Bargaining for employer provided paid Paternity/Secondary Care Givers' leave
- Bargaining towards the World Health Organisation goal of 26 weeks' paid parental leave

What's next?

We've taken this monumental step but we still need to move forward in regards to superannuation for parents while they are on parental leave. The Productivity Commission suggested a \$50 a week super component while parents were caring for their newborns, which the Government has not provided, so the ASU will keep fighting until this important issue is rectified.

How the ASU can help

The ASU provides advice and information to members regarding workplace rights and obligations. ASU members can contact their State ASU office for more information. If required the ASU provides members with individual representation.

To obtain the contact details of your local ASU Branch visit the ASU national website www.asu.asn.au or contact the JSA National Project Coordinator on (03) 9342 1400 or help@employmentservicesunion.org.au