



Paid Paternity Leave

Julia Gillard and Labor
Let's move Australia forward



PAID PATERNITY LEAVE – HELPING DADS SPEND TIME WITH THEIR NEW BABY

A re-elected Gillard Labor Government will provide financial support for fathers and other partners to spend time at home with their new baby, or adopted child.

From 1 July 2012, Federal Labor will provide eligible working fathers and partners with two weeks Paid Paternity Leave at the national minimum wage – currently \$570 a week.

The payment will provide financial support to fathers and other partners who normally have to take unpaid leave to be at home with their child.

Fathers and other partners who are providing full time care or sharing the child's care, and who meet the work and income tests, will be able to access the payment.

A family may receive the paternity leave payment either on its own or in addition to other family payments such as the Baby Bonus, Paid Parental Leave and Family Tax Benefit. The mother does not have to be accessing Federal Labor's Paid Parental Leave scheme for her partner to be eligible for Paid Paternity Leave.

Federal Labor understands time out from work can also be difficult for people who are self-employed, for example tradespeople, independent contractors or in a family business or farm. These people will also be eligible for Paid Paternity Leave to help them afford the time out from work to support their partner and spend time at home with their new baby, or adopted child.

Why Paid Paternity Leave is important

The involvement of fathers in children's lives has many positive benefits for children including improved social and emotional development.

Paid Paternity Leave recognises the importance of this time of bonding and assists financially at a time when family income is reduced, particularly if the father is taking unpaid leave. Paid Paternity Leave will allow fathers and other partners to support the primary carer in their new caring role, and to recover from the birth.

Paid Paternity Leave will encourage fathers to take some time off after the birth of a child, and help embed paternity leave as a normal aspect of work and family life. It will also extend the amount of time that both parents can spend providing exclusive care in the early important months of a child's life.

Most employee fathers take some time off work around the birth of a child to be with their family, but this is usually for a short period, using paid annual or (where their employer offers it) paid paternity leave.

The new Paid Paternity Leave will help many fathers and other partners take some time off after the birth of a child, especially those who currently struggle to afford taking time off like casuals without annual leave entitlements and self-employed people like tradespeople and small business owners.

Who will be eligible for Paid Paternity Leave

Fathers and other partners who are sharing the child's care, and who meet the work and income tests, will be able to access the payment.

To be eligible, the father or other partner will need to have worked around one day a week (330 hours) for at least 10 of the 13 months prior to the birth or adoption and have not earned more than \$150,000 in the previous financial year. The income of the primary carer, usually the mother, will not count towards the income test.

Fathers do not need to be working full-time to be eligible for Paid Paternity Leave.

Fathers and partners may still meet the work test if they:

- are a part-time, casual or seasonal worker
- are a contractor or self-employed
- work in a family business or on a farm
- have multiple employers, or
- have recently changed jobs.

Paid Paternity Leave will be available to fathers and other partners that meet eligibility requirements, regardless of whether the mother has been in paid work or at home prior to the birth or adoption.

Residency requirements will also apply, consistent with other Federal Government family assistance.

What will this mean for families?

Around 220,000 partners of new mothers are expected to be eligible for Paid Paternity Leave in the first year.

Paid Paternity Leave will be payable to the father (or other partner of the primary carer, including same-sex and de facto partners), regardless of whether the mother has been in

paid work or at home prior to the birth or adoption. A father can be eligible for Paid Paternity Leave even if a mother is not eligible for Paid Parental Leave.

The Productivity Commission estimates that fathers take two weeks of leave, on average, around the birth of their child. Of the fathers who take leave, only around nine per cent take unpaid leave. A 'use it or lose it' provision creates a financial incentive for fathers to exercise greater caring responsibilities, consistent with currently stated social norms, and signals to employers and colleagues that a father's role in caring for infants is important.

Rachel and Lee are expecting their second child in January. Their first child, Cash, is three. Rachel works part time up until the birth. Lee works as an independent contractor and doesn't have leave entitlements he can draw on but he would really like to spend some time at home with Rachel, Cash and the new baby.

Under Labor's Paid Paternity Leave scheme, Lee meets the eligibility test and receives two weeks Paid Paternity Leave.

The extra money helps take the pressure off and Lee can take two weeks off after the birth to help Rachel care for Cash and the new baby.

--

Tate works for a bank and his enterprise agreement provides employees with one week of paid paternity leave after the birth of a child. Tate has also accrued 10 weeks of long service leave and annual leave as he wants to spend a significant period of time at home as he and his wife Liz are expecting twin girls.

Under Labor's Paid Paternity Leave scheme, Tate will now be able to take his paid paternity leave and other leave entitlements, paid by his employer, and will also be able to take an additional two weeks leave.

How will the payment interact with workplace entitlements?

Labor introduced important new ways of helping new parents in the Fair Work Act.

- Each member of a couple has a right to take separate periods of up to 12 months of unpaid parental leave to care for their child where they meet eligibility requirement of 12 months continuous service with their employer.
- If one partner only is taking unpaid parental leave, a new right to request a further period of unpaid leave of up to 12 months, making 24 months in total.

If both employees take unpaid parental leave under the National Employment Standards, then they may take up to three weeks of their unpaid parental leave entitlement at the time starting immediately after the birth, or by agreement with the employer, within the period up to six weeks after the birth.

Some employers, particularly larger employers, currently provide employees with an entitlement to paid paternity leave, typically one or two weeks paid leave. It is

estimated that approximately 25 per cent of employees in the national workplace relations system have such an entitlement.

Paid Paternity Leave will apply in addition to any paid leave taken by the employee (such as paid paternity leave, annual leave or long service leave) that may be provided under an enterprise agreement, award or other industrial law or instrument but cannot be taken at the same time the employee is taking such leave.

The Gillard Labor Government will consult with industry and employers before the implementation of the Paid Paternity Leave Scheme.

How will the Paternity Leave Payment interact with the Paid Parental Leave scheme?

The Gillard Labor Government's historic Paid Parental Leave scheme commences on 1 January 2011. It provides the primary carer of a newborn or adopted child with 18 weeks of payments at the minimum wage. The 18 weeks of Paid Parental Leave can be paid to either parent, provided the parent is acting as the primary carer of the child, but cannot be paid to both parents at the same time.

The Paternity Leave Payment is in addition to the Paid Parental Leave scheme and can be paid to the mother's partner at the same time that the baby's mother is receiving Paid Parental Leave.

Fathers who take Paid Paternity Leave will also still be able to assume any unused amount of the 18 week Paid Parental Leave entitlement if they take over as the primary carer when mum returns to work.

Financial Implications (\$m, underlying cash balance)

2010-11	2011-12	2012-13	2013-14	Total
0.1	1.3	68.8	76.5	146.6

The cost of this new policy will be fully offset over the forward estimates, consistent with the Gillard Labor Government's commitment to return the Budget to surplus in three years.

THE COALITION RECORD

- ✘ For the twelve years the Coalition was in Government, they did nothing on paid parental leave. In fact Tony Abbott said paid parental leave would happen over his 'dead body'.
- ✘ Now Tony Abbott is promising an \$8 billion scheme funded by a tax which will mean higher prices for consumers in almost every grocery store, department store, petrol station and bank in the country.
- ✘ Only Federal Labor has delivered a fully funded fair Paid Parental Leave scheme that starts on 1 January next year.