



Paid Parental Leave Evaluation

PHASE 2 REPORT



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The University of Queensland

Institute for Social Science Research

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Authors:	Bill Martin, Mara A. Yerkes, Belinda Hewitt, Marian Baird, Andrew Jones, Emily Rose, Judy Rose, Kristen Davis, Laetitia Coles, Alexandra Heron, Ning Xiang
Project team members:	Bill Martin, Belinda Hewitt, Andrew Jones, Mara A. Yerkes, Marian Baird, Kristin Davis, Emily Rose, Judy Rose, Laetitia Coles, Alexandra Heron, Ning Xiang, Lyndall Strazdins, Maria Zadoroznyj, Guyonne Kalb, Duncan McVicar, Janeen Baxter, Margaret Walter, Mark Western, Gillian Whitehouse, Luke Connelly, Dorothy Broom.
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DISCLAIMER

This report provides information on an evaluation of a funded initiative for which the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) had lead responsibility. The report draws on input from representatives of government agencies, recipients of Parental Leave Pay and the Baby Bonus and employers who are providing or have provided Parental Leave Pay to an employee. The report cannot be taken in any way as an expression of government policy.

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ABBREVIATIONS

AGD	Attorney-General's Department
ALP	Australian Labor Party
ATO	Australian Tax Office
BaMS	Baseline Mothers Survey
BAU	(Centrelink) Business as Usual Communications
BB	Baby Bonus
CALD	Culturally and Linguistically Diverse
DAPP	Dad and Partner Pay
DEEWR	Department of Education, Employment and Workplace Relations
DHS	Department of Human Services (including Centrelink and Medicare)
DIISRTE	Department of Industry, Innovation, Science, Research and Tertiary Education
DoFD	Department of Finance and Deregulation
DVA	Department of Veterans' Affairs
EIPE	Employer Implementation Phase Evaluation Study
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FAO	Family Assistance Office ¹ [Centrelink and Medicare]
FTB A	Family Tax Benefit Part A
FTB B	Family Tax Benefit Part B
FWO	Fair Work Ombudsman
GFC	Global Financial Crises
IDC	Interdepartmental Committee
IG	Implementation Group
KPI	Key Performance Indicator
KIT	Keeping in Touch
MoPE	Mothers Process Evaluation Study
NES	National Employment Standards
NESB	Non-English Speaking Background
OECD	Organisation for Economic Cooperation and Development
OLDP	Office of Legislative Drafting and Publications
OPC	Office of Parliamentary Council
PI	Policy Implementation Study

¹ The Family Assistance Office (FAO) was a virtual office consisting of Centrelink and Medicare functions and no longer exists. For the purposes of this report "Centrelink" will be used to describe the functions of the FAO, Medicare and Centrelink.

PLP	Parental Leave Pay
PM&C	Department of the Prime Minister and Cabinet
PPL	Paid Parental Leave
PPL Act	Paid Parental Leave Act 2010

A NOTE ON AUTHORSHIP

Where some authors contributed the bulk of work and drafting to a chapter, the main authors of that chapter are noted at the beginning of the chapter.

EXECUTIVE SUMMARY

Introduction

Since 1 January 2011, most Australian families in which a mother was in paid employment before the birth or adoption of a child have been eligible for the new Australian Government funded Paid Parental Leave (PPL) scheme.² The scheme provides eligible parents with up to 18 weeks of Parental Leave Pay (PLP), paid at the rate of the National Minimum Wage, following the birth or recent adoption of a child. The PPL scheme brings Australia into line with all other Organisation for Economic Cooperation and Development (OECD) countries, except the United States, in having a national scheme for paid leave available to mothers following childbirth.

This report describes the results of an evaluation of the initial operation of the scheme. It focuses on answering the following questions:

1. What are the main elements and components of the PPL scheme, their rationale and inter-relationships, focusing on the scheme's original design?
2. How has the scheme operated on its implementation? To what extent is the PPL scheme operating as intended, and what factors have resulted in any discrepancies between intent and actuality?
3. What have been the immediate outcomes of the PPL scheme in its early months of operation, and what factors have impacted on these outputs and outcomes?
4. What have been the lessons learned about the design and operation of the PPL scheme?

Evaluation methodology

The evaluation questions are answered primarily through data collected specifically for the PPL evaluation. The evaluation consists of:

- A Policy Implementation (PI) study, involving 16 in-depth interviews with FaHCSIA and Centrelink departmental staff and analysis of press coverage relevant to the development and implementation of the PPL scheme.
- A Mothers Process Evaluation (MoPE) study, involving a survey of a random sample of mothers who were eligible for PLP and had taken or were approved to take PLP (N=800) and those who were eligible for PLP but had applied for the Baby Bonus (BB) instead (N=101). In addition, in-depth interviews were also conducted with a subsample of 97 mothers and fathers. These interviews focused on groups of special interest (i.e. casual and self-employed before the birth, single mothers, Aboriginal and Torres Strait Islander mothers, and fathers who took PLP). They provided more detailed and nuanced information about parents' experiences with the PPL scheme than was available from the survey.
- An Employers Implementation Phase Evaluation (EIPE) study, involving a survey of a stratified random sample of employers who had provided PLP to at least one employee (N=501) and in-depth interviews with a purposive sample of 41 employers.

² The term Paid Parental Leave (PPL) is used to refer to the scheme as a whole; the term Parental Leave Pay (PLP) is used to refer to the payment.

Data from all three components is used to examine the range of issues for parents and for employers. These include: accessibility of PPL information, decision making about taking leave following the birth of a baby, eligibility and applying for PPL, making and receiving PPL payments, employers role, Keeping in Touch (KIT) provisions, and employer-provided leave.

A history of the policy design, implementation and delivery and evaluation results is outlined below.

Policy History

The issue of paid parental leave has been debated in Australia since at least the early-1970s. Prior to the 2007 federal election, the then opposition leader Kevin Rudd committed that if elected, his government would commission a Productivity Commission inquiry into improved support for parents with newborn children. The Inquiry was announced in February 2008 (following the election of the Rudd Government) and the resulting final report of the Productivity Commission, delivered in February 2009, provided much of the detail for the final PPL scheme, for which legislation was passed on 17 June 2010. The scheme commenced operation on 1 January 2011, with applications accepted from 1 October 2010. Employer participation was optional before 1 July 2011, after which employers had a mandatory role in providing PLP to their long term eligible employees.

Policy Design: elements, rationale and risks

The Australian Government sought to achieve three main objectives in introducing the scheme:

1. To enhance the health of babies and mothers, and the development of children, by enabling working mothers to spend longer at home with their newborn children.
2. To facilitate women's labour force participation, and
3. To encourage gender equality and improve the balance of family and work life in Australian families.

These objectives corresponded closely to evidence martialled by the Productivity Commission. The Commission reviewed a range of research, and conducted some modelling of its own, to arrive at a view about the appropriate design to achieve goals in the areas of mothers' and babies' health and development, women's workforce participation, gender equality, and work/life balance.

There are some risks and uncertainties inherently associated with these broad objectives, arising from such matters as:

- the possibility that operational shortcomings could limit the success of the scheme in achieving these goals;
- the need to manage expectations of the scheme;
- the value judgements inherent in objectives like achieving gender equality and work/life balance;
- the possibility of unintended consequences; and
- the difficulties in attributing any perceived changes in behaviour to the PPL scheme itself.

In the development of the PPL scheme, these policy objectives and risks were addressed through four key aspects of the scheme's design:

1. Eligibility requirements;

2. Benefits;
3. Funding the payment; and
4. Delivery arrangements.

Issues associated with *eligibility requirements* revolved around which parent should be eligible, how the work test would operate, the level of any income test that might need to be met, and what residency requirements would need to be met. The ultimate design of the scheme embodied the twin principles that the scheme should be as flexible as possible and that people with a reasonable attachment to the workforce would meet eligibility requirements.

The main issues associated with *benefits* related to the duration and timing of payments, the level of payments, whether payments should be taxed, how payments should interact with family payments, whether superannuation should be paid by employers while employees were receiving PPL, and whether a separate paternity leave component be included. The final design of the scheme resulted from detailed consideration of these issues.

Public *funding* of payments provided by the scheme was preferred over a range of other alternatives considered (such as a hypothecated payroll tax, or direct employer financing). It was recognised that the role of employers necessarily brought some costs to them, though minimising these was a consideration in the scheme's design. Similarly, consideration was given in the scheme's design to minimising *costs* to taxpayers, particularly through removal of entitlement to some other social security payments (notably the Baby Bonus (BB), Family Tax Benefit- Part B (FTB-B) during the PPL period and certain tax offsets) if parents chose to take PPL payments.

Delivery arrangements were a final area of detailed policy development. Strategies for disseminating information to employers and parents were developed, to ensure that both groups understood the scheme. It was decided to process claims through Centrelink, but to provide PPL funds to employers to make payments if claimants were long-term employees.

Policy Implementation and Delivery

The overall implementation process was managed by the Paid Parental Leave Branch in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) working closely with Centrelink and with oversight by the PPL Interdepartmental Committee (IDC). The 12 agencies represented on the PPL IDC provided oversight and guidance of implementation of the PPL scheme. This work was carried out by four working groups reporting to the IDC covering key areas of implementation and major tasks to be undertaken, including the creation of detailed policy design and legislative provisions, establishing processes for assessing claims as well as processes for making payments through employers and Centrelink and creating a communication campaign to inform families and employers about PPL.

Legislation was developed during the latter half of 2009 and the first part of 2010. Following the creation of drafting instructions, the Bill, together with the Explanatory Memorandum, was tabled in the House of Representatives on 12 May 2010. The Bill was passed by Parliament on 17 June 2011 with the inclusion of four government amendments. In addition to the PPL Act, a *Paid Parental Leave Guide* was released in September 2010. The *Paid Parental Leave Rules 2010*, a legislative tool used to provide legislation for exceptional cases and other matters not covered by the PPL Act, took effect on 25 December 2010. Development of the legislation was a complex, technical and detailed task involving the development of a whole new Act. Policy

interactions and consequential amendments to existing legislation required a high level of involvement by PPL IDC member agencies.

The implementation of the key deliverables of the PPL scheme (claims from 1 October 2010, payments from 1 January 2011 and the mandatory employer role from 1 July 2011) has been relatively unproblematic, although a number of minor issues have arisen. These include questions around eligibility, the work test and the meaning of continuous employment, and legislative issues regarding the use of “Keeping in Touch” (KIT) days.

Consultation process: developing the legislation

From mid-2009 to the implementation of PPL, consultations were undertaken with a range of key stakeholders including major employee and employer peak bodies, representatives of small business, family and community stakeholder groups, tax professionals, payroll specialists and payroll software developers and state and territory governments. Consultations played an important role in the development of PPL legislation and led to changes in the role played by employers. These changes included; a delay in the mandatory employer role until 1 July 2011, thereby allowing for a more gradual phasing in of the employer role and enabling the employer role to start from the beginning of a financial year; employers being able to choose to receive three equal PPL funding amounts rather than fortnightly funding; and, employers not having to provide PLP to employees receiving fewer than eight weeks of payments.

Information provision

The implementation of the PPL scheme was supported by a communication campaign designed to raise awareness among families and employers about PPL and encourage them to seek more detailed information about the scheme. The start of the campaign was supported by the creation of information brochures, and later the campaign used a much wider range of awareness raising strategies, including traditional and social media; public relations activities; and media and news reports. The communication campaign also included outreach to people with a disability and people from Culturally and Linguistically Diverse Backgrounds (CALD), Aboriginal and Torres Strait Islander Australians, and those living in remote, rural and regional areas. The campaign directed parents and employers to more detailed information provided by Centrelink, including brochures, facts sheets, web site content, and telephone assistance via the Parent Line and the Centrelink Business Hotline.

Data collected in relation to the campaign reveals some issues emerged regarding the provision of information to families and employers through the PPL communication campaign. The most commonly reported issue was the on-going tension between perceptions of the high level campaign information and the accessibility and intelligibility of the more detailed information.

Determining eligibility and processing claims

In regards to determining eligibility and processing claims, the PPL scheme presented challenges owing to the interactions with existing social welfare and employment provisions. In the actual operation of the scheme, eligibility issues have been few. The vast majority of applicants have been birth mothers with few complex cases involving secondary and tertiary claimant eligibility. There have, however, been some issues in regards to processing claims. There was some confusion among PPL applicants regarding the need to both claim the payment and provide proof of birth and the amount of time required to process payments after providing proof of birth.

The study also revealed several factors relating to the timeliness of claim processing during the first year of operation of the PPL scheme. While electronic claim forms are popular, any necessary changes to make the online form more user-friendly and

easier cannot be carried out immediately because this requires a major systems release from Centrelink. These system releases occur quarterly.

In addition, the occurrence of two natural disasters in the state of Queensland, Cyclone Yasi and the Queensland floods, impacted on Centrelink's capacity to process PPL claims in the early part of 2011.

An assessment of payment timeliness and examination of the causes of delays has resulted in Centrelink putting into place new claim processing timeliness standards and other strategies to reduce PPL claim processing delays, such as targeted messaging for parents and employers about claims and processes. It will be important to monitor PPL payment timeliness on an ongoing basis.

Making payments: through employers and through Centrelink

PLP payments to claimants are made in one of two ways. In the majority of cases, PLP payments are made through employers. From 1 July 2011 an employer (with an Australian Business Number) must provide PLP to an eligible employee who:

- has a child born or adopted from 1 July 2011; and
- has worked in the business for at least 12 months prior to the expected date of birth or adoption – consistent with the eligibility requirements for unpaid parental leave under the National Employment Standards (NES) in the *Fair Work Act (2009)*; and
- will be an employee of the business for their PPL period; and
- is an Australian based employee; and
- is expected to receive at least 8 weeks of PLP.

Employers can also opt to provide PLP to employees who they are not required to under their mandatory role.

In cases where PLP is not provided by an employer, PLP payments are provided by Centrelink. As outlined previously, no issues were presented in relation to Centrelink's role in making payments in the initial months of the scheme's operation. Chapter five discusses employers' views on the administration of payments and the timeliness of payments. While the administration of PLP payments by employers is going smoothly, there are some issues regarding the timeliness of PLP payments, discussed in later chapters from the perspective of PLP recipients (chapter 4) and from the perspective of employers (chapter 5).

Administrative data shows in the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme, with around 125,000 families receiving Parental Leave Pay.³

During 2011-12, 99.4 per cent of recipients were mothers and of those recipients who had finished their PLP, 98.6 per cent took the full 18 weeks of payments. The median annual income of PLP recipients during this period was \$44,350. Ongoing monitoring of PLP recipients will measure take-up as well as the functioning of the scheme in relation to the stated objectives.

³ This excludes those families whose payment started in 2010-11 and finished in 2011-12.

Administrative data shows that, of mothers who had babies in 2011-12⁴, approximately 44 per cent received PLP and 55 per cent received the BB. Note that some mothers received both PLP and BB in the case of multiple births.

In practice, due to the requirement for birth mothers to be the primary claimant in most cases for the primary carer of the child to receive the payments, and the choices of parents about who would be the primary carer, the PPL scheme acted almost exclusively as a maternity leave scheme.

Uptake – mothers choosing PLP compared to those choosing BB

Most mothers who were eligible for the PPL scheme also had the choice of applying for the BB instead. It is estimated from the MoPE survey that, in late 2011, about 17 per cent of PPL eligible mothers chose to take the BB rather than PLP. Mothers who were likely to be eligible for both payments and chose the BB over PLP differed from those who took PLP in the following main ways:

- BB mothers were less likely to be having their first baby (33 per cent of BB mothers compared to 58 per cent of PPL mothers);
- BB mothers were more likely to be single mothers (13 per cent of BB mothers compared to 3 per cent of PPL mothers);
- BB mothers earned less in their jobs before the birth than PPL mothers (51 per cent of BB mothers earned less than \$26,000 per year compared to 12 per cent of PPL mothers);
- BB mothers worked fewer hours before the birth than PPL mothers (35 per cent of BB mothers worked less than 20 hours per week compared to 10 per cent of PPL mothers);
- BB mothers were somewhat more likely to have worked in the private sector before the birth (76 per cent of BB mothers compared to 64 per cent of PPL mothers);
- BB mothers were more likely to have resigned from paid employment before the birth (21 per cent of BB mothers compared to 6 per cent of PPL mothers);
- BB mothers were much more likely to have been on casual employment contracts or self-employed before the birth (33 per cent of BB mothers compared to 9 per cent of PPL mothers, and 14 per cent of BB mothers compared to 4 per cent of PPL mothers, respectively); and
- BB mothers were more likely to have been working for very small employers (1-4 employees) before the birth (19 per cent of BB mothers compared to 6 per cent of PPL mothers), and less likely to have been working for large employers (>200 employees) (47 per cent of BB mothers compared to 60 per cent of PPL mothers).

Collectively, this indicates that mothers who were likely to be eligible for PLP, but chose to take BB, are more likely to be from disadvantaged backgrounds and have more precarious employment arrangements than mothers who chose PLP.

How mothers found out about PPL

In general mothers used government information to find out more about PPL and make decisions about it.

⁴ This is based on an estimate of the number of births in 2011-12 from ABS (2008), Population Projections Australia, 2006 to 2011, Series B estimates of persons aged 0.

- Mothers were most likely to have first heard of PPL through government advertising (42 per cent) or other media (26 per cent), though small proportions had first heard of it through family and friends or in work settings (10 per cent each);
- Just over half of mothers (57 per cent) relied on a government website as the main source of PPL information, with many others (22 per cent) using government offices (Centrelink or Medicare); and
- Almost all PPL eligible mothers who had chosen the BB had heard of PPL (96 per cent).

Decision making

Overall, about three quarters of mothers used the online PPL comparison estimator available on the Centrelink website to assist them in assessing whether it was most financially advantageous for them to take PLP or the BB. Those who used the comparison estimator generally found it easy to use and a source of useful and important information for their decision making.

Nearly two thirds of mothers (63 per cent) who applied for PLP said they did so without considering the alternative of taking the BB, even though most would have been eligible. By contrast, only one quarter of mothers who chose the BB over PLP said they did not consider applying for PLP.

Over three quarters of mothers did not talk to their employers before making a decision about whether to take PLP or the BB. More than 80 per cent of those who did talk to their employers received support for their decision, whether it was to take PLP or the BB.

Financial reasons were by far the most common reasons mothers chose PLP over the BB, or vice versa. However, mothers who chose PLP were more likely than mothers who chose BB to cite financial reasons as the main factor in their decision (77 per cent of PPL mothers compared to 51 per cent of BB mothers). A significant group (20 per cent) of mothers who chose the BB over PLP indicated that they did not want to take the leave from work needed to get PLP. Nearly 15 per cent of mothers who chose PLP, and a similar proportion of mothers who chose BB, said the main reason was they thought they were ineligible for the other scheme. A small proportion of mothers (8 per cent) who chose the BB gave reasons that indicated they were confused about the eligibility requirements for PLP.

Many mothers cited the time they were able to take off from work with their baby as an important factor in their decision to take PLP (64 per cent).

There were no indications that employers played any significant role in discouraging women from taking PLP. Half of mothers who chose PLP, and had talked to their employer before making a decision, indicated that their discussion with their employer was an important factor in their decision. Only 3 per cent of mothers who chose the BB said they did so because they did not want to involve their employer in the payment.

Overall, families are making decisions about which maternity payment to access based on financial reasons, the amount of leave they intend to take from work following the birth or adoption of their child and payment eligibility requirements. There is some evidence to suggest that mothers are confused about the eligibility requirements for PLP and may be self-assessing themselves as not eligible for the payment.

Applying for PPL

Mothers generally applied for PPL before the birth of their baby (83 per cent did so); three fifths had applied before they were into the eighth month of pregnancy.

Most mothers (85 per cent) applied for PPL online, with 59 per cent of these mothers finding the process easy. The remaining mothers mostly applied in person at a Centrelink or Medicare office, and were less likely to find the process easy (43 per cent did so). In-depth interviews with mothers suggested factors that detracted from the ease of application included:

- The length and detail of the application;
- Requirements to complete additional, sometimes repetitious, paperwork to confirm the baby's birth; and
- Difficulties in obtaining assistance from Centrelink or Medicare offices.

Mothers of Aboriginal and Torres Strait Islander background were somewhat more likely to note these difficulties, as were mothers from CALD backgrounds. Single mothers indicated particular problems associated with processes that included a difficulty in attending a Centrelink or Medicare office after the birth.

Receiving PLP

Some 83 per cent of mothers in the MoPE survey who received PLP took the full 18 weeks, with only 2 per cent taking less than 10 weeks. PPL administrative data shows that over 98 per cent of recipients who have finished the payment took the full 18 weeks. One possible reason for this discrepancy is that mothers may not fully understand their entitlement and may not know how many weeks of payment they have received (once tax and interactions with any paid leave from their employer have been factored into their pay).

Nearly three quarters (73 per cent) of mothers in the MoPE survey were paid through their employer. Mothers on permanent or ongoing contracts were much more likely to be paid through employers than those who were on fixed term or casual contracts (85 per cent, 48 per cent, and 27 per cent respectively paid through employers). Due to the design of the scheme, all self-employed mothers should be paid through Centrelink. However, we had one self-employed mother who reported being paid through an employer. We can only conclude that she paid herself PPL as an employee through her business.

Overall, just under half (46 per cent) of mothers experienced a problem of some sort in the payment of PLP. A significant proportion of mothers (22 per cent overall) experienced more than one problem with payments. Mothers paid through employers were much more likely to experience a problem (54 per cent did so) compared to those paid through Centrelink (26 per cent did so). Overall, a third of mothers did not receive one or more payments on time, by far the most common problem. Other common problems reported by mothers included not receiving one or more payments at all (experienced by 15 per cent of mothers), and receiving less or more than they expected (experienced by 9 and 12 per cent of mothers, respectively). Administrative data does not suggest that mothers are missing out on payments. These results may be due to several issues. While administrative data indicates that employers had received the PPL funds to make payments to mothers, these payments may not have been made in full (unlikely) or mothers may not have been properly or fully advised of payments made. Alternatively, there may have been some confusion where, due to delays in payments, some mothers may receive an initial lump sum for an arrears amount.

Qualitative interviews indicated that mothers who experienced these difficulties quite often had to work hard to overcome them. Where difficulties arose because employers did not act as they were expected to (e.g. they were slow to register or provide PLP), as was often the case when difficulties occurred, mothers usually felt it was their responsibility to resolve the problem and that Centrelink were not responsive to helping them deal with their issues with their employers. Some of these mothers thought there were few incentives for employers to do their part, or checks to ensure that they had. Aboriginal and Torres Strait Islander and CALD mothers appeared more likely than others to experience difficulties, particularly in having their employers act as was expected. Single mothers also appeared particularly affected by problems in payments, largely because they were more likely than other mothers to be financially reliant on PLP so that any delays in payments had a much greater effect on them.

Keeping in Touch (KIT) days

The PPL scheme has provision for KIT days in which mothers may choose to engage in paid work activities with their employer before the end of their PPL period, with the aim of facilitating their return to work. Less than half of mothers (42 per cent) were aware of this provision. Amongst those who were aware of the KIT provision, about one quarter of mothers (24 per cent) knew their employer had established a structured KIT program. Over a quarter of mothers (28 per cent) who were aware of the KIT provisions had used them, most often for one or two days. Qualitative interviews revealed that many mothers had informal contact with their employer or workplace while they were on parental leave, whether or not they were aware of the formal KIT provisions relating to paid work activities.

PPL and interaction with paid and unpaid leave

Mothers receiving PLP usually had access to various forms of leave while out of the workforce after the birth of their baby. Some 91 per cent of mothers who took PLP had access to some form of paid or unpaid leave from their jobs, compared to 73 per cent of mothers who were eligible for PLP but chose to take the BB. Less than half (43 per cent) of mothers who took PLP were eligible for employer paid maternity or parental leave, as were 26 per cent of mothers who were eligible for PLP but chose the BB. The most commonly available form of paid leave was paid holiday or annual leave, which was available to 69 per cent of mothers who took PLP, and 41 per cent of mothers who chose the BB though they were eligible for PLP.

In-depth interviews indicated mothers combined a variety of paid and unpaid leave, along with PLP, both directly before and after the birth of their babies. Mothers did not experience difficulties in taking the paid or unpaid leave they wanted at these times, nor did any indicate difficulties with taking the unpaid leave that was necessary for many to take PLP. Nevertheless, some 24 per cent of mothers who took PLP, and 43 per cent of mothers who took the BB thought they would probably have been eligible for PLP, indicated that they believed they were not eligible for statutory unpaid leave.

Fathers taking PLP

In-depth interviews with seven fathers who had received some or all of their partner's PLP entitlement suggested that:

- Fathers who took PLP tended to be highly educated and employed full-time on permanent contracts;
- Decisions for fathers to take PLP were made following an assessment of what was best for the family as a whole;

- Fathers who took PLP experienced a range of difficulties arising from negative views from employers and/or family, friends and the wider community; and
- Most fathers experienced major problems with the PLP application process.

Employer role

The role of employers in providing Government funded PLP to their long term employees is a central component of the PPL scheme's design. From 1 July 2011 PLP was generally provided to employees through employers if a mother had worked for the employer for 12 months or more before the birth of her baby. This is consistent with the 12 month employment requirement for parents to be eligible for unpaid parental leave under the NES. In effect employers are only required to provide PLP to employees who already have an entitlement to leave from the workplace and a return to work guarantee following the birth of a child. Employers who are required to provide PLP must register for the scheme with Centrelink and accept their role for their eligible employee. When an employer accepts the role and the PPL period starts, PPL funds are sent to the employer who is required to provide it to the mother in her usual pay cycle. The evaluation examined employers' experiences with providing PLP, including their leave provisions for new mothers, how involvement with the PPL scheme fitted with their existing HR and payroll practices, and their experiences in providing PLP to employees.

In the 2011-12 financial year more than 24,000 employers provided PLP to over 75,000 employees.

Existing employer arrangements

The extent of existing formal, documented HR policies about leave for employees after the birth of a child is likely to be significantly related to the ease with which employers are able to manage the payment of PLP. Overall, two thirds of surveyed employers had such policies. Large and medium employers (≥ 200 employees and 20-199 employees, respectively) were much more likely to have such policies than small employers.

Some 36 per cent of employers offered some form of paid parental leave, with 31 per cent providing paid maternity leave. Such provisions were much more common among large employers (58 per cent offered paid maternity leave) than among medium or small employers (23 per cent and 11 per cent respectively offered paid maternity leave). Overwhelmingly, public sector employers offered paid maternity leave (87 per cent did so), while less than half (45 per cent) of 'not-for-profit' organisations and 20 per cent of private 'for profit' businesses did so. The availability of such leave also varied across industries, with employers in industries dominated by public sector employers (e.g. Electricity, Gas, Water, Waste Services; Public Administration and Safety, etc.) being most likely to offer such benefits.

Almost all employers that did provide some form of paid parental leave required that employees served a qualifying period before becoming eligible (e.g., 93 per cent of those offering paid maternity leave had such a requirement). The average length of such qualifying periods was around 12 months. The length of paid leave provided by employers varied considerably. For example, the shortest paid maternity leave offered by employers in the survey was 1 week, and the longest was 28 weeks. The average paid maternity leave length offered was about 10 weeks in the non-government sectors and 13 weeks in the government sector. Amongst employers that did offer paid parental leave of some kind, it was universally offered to employees on permanent or ongoing contracts. Employees on fixed-term contracts were less likely to be covered by such provisions, particularly in the private sector, and those on

casual contracts were only covered by about 20 per cent of employers that offered some form of paid parental leave.

Where paid parental leave was offered, it was generally at normal rates of pay. When employers offered such leave, they often made provision for employees to take it at half the normal rate of pay, extended over twice the full pay leave period. About half of private sector employers that offered leave, and three quarters of public sector employers, made this provision.

As well as paid leave, many employers provided unpaid leave beyond the minimum national standard of 12 months unpaid leave for employees who had been employed for 12 months or more. Some 44 per cent of employers in the survey indicated they offered more than 12 months unpaid leave, with large employers being most likely to do so (61 per cent did), and small employers least likely (26 per cent did).

Changes to HR policies following the introduction of PPL

Some 20 per cent of employers made changes to their own parental leave policies following the introduction of PPL. Most changes appeared to increase the level of provision for employees, with the most common changes being to introduce a new policy that combines with PPL or to increase existing paid leave policies by combining with PLP. However, about 3 per cent of all employers reduced or withdrew existing paid leave policies when PPL was introduced. Changes to organisational unpaid leave policies were much less common, with only 5 per cent of employers making such changes.

Most employers (85 per cent) did not make changes to other HR practices following the introduction of PPL. Amongst those that did make changes, most were focused around managing the ways employees and managers dealt with the new PPL scheme, though a small proportion of employers (5 per cent of all employers) were prompted to check their hiring procedures to ensure that there was no bias against women of child-bearing age.

Managing PPL in the organisation

Employers gained information about the PPL scheme and their role in it from a variety of sources. Most commonly they used government provided information, whether it was a government website, media information (usually reliant on government information), a Centrelink office or government advertising.

Employers generally found it easy to source the information they required about the PPL scheme (83 per cent), and they found the information accurate and helpful (92 per cent found it accurate and 89 per cent found it helpful). Small employers (<20 employees) were somewhat more likely to express misgivings about the ease of access or accuracy or helpfulness of information. However, even amongst small employers, only a small minority (17 per cent or less) expressed such misgivings about the ease of access accuracy or helpfulness of information. In-depth interviews confirmed this picture, indicating employers usually found information on government websites very useful and easy to understand. Those few employers who did express dissatisfaction were often concerned that they had to find information themselves, rather than having it sent to them.

Just over two thirds of employers (68 per cent) indicated it was easy for them to register for the PPL scheme, while about one quarter (26 per cent) did not find it easy. Small employers did not seem to find this process any more difficult than large employers. In-depth interviews indicated most employers found the online registration process straightforward. Those that found some difficulty mostly faced minor

problems, usually associated with difficulty in easily understanding the process or registering as quickly as they would have liked.

The majority (79 per cent) of employers found organising PLP to be easy, though many (41 per cent) found it time consuming. In-depth interviews confirmed many employers found the process simple, with PLP payments from Centrelink arriving smoothly and on-time. When difficulties did occur, they often seemed to be associated with timing issues. For example, a delay in commencement of payment, perhaps due to late provision of evidence of the birth to Centrelink, could produce considerable administrative work for an employer by requiring the mother be backpaid. In-depth interviews also indicated mixed views amongst employers about their role. Some indicated they saw advantages in it, others that they had expected problems that did not materialise, and others could not see any benefit to themselves in their involvement. Similarly, employers expressed varying views about whether payment of PLP through them would improve retention of mothers when they returned to work.

The most likely direct cost to employers in administering the PPL scheme would be in changes to their payroll systems. However, less than half of employers (39 per cent) said they made changes to their payroll systems as a consequence of the introduction of PPL. Large employers (>200 employees) were particularly likely to make such changes, with just over half (51 per cent) doing so. Almost all such changes involved updating payroll systems, sometimes by receiving an update from a commercial payroll system used by the employer. In-depth interviews indicated employers usually did not find these changes to be time consuming or costly.

Less than one third (29 per cent) of employers said they had additional costs involved in implementing their role in the PPL scheme. The time taken to implement their PPL role was in accord with this assessment, with 30 per cent of employers saying implementation took more than 15 hours of staff time in total, and 49 per cent saying it took less than 6 hours.

Overall, nearly three quarters (74 per cent) of employers found the PPL scheme easy to implement. However, they continued to have mixed views about the benefits for their organisation of employees taking PPL over the BB. Equal proportions of employers felt that it was and was not beneficial (about 30 per cent each), while a sizeable group (41 per cent) had no strong view either way.

Managing PLP with employees

Employers generally viewed it as an employee's responsibility to obtain information about PPL and then to approach them. Most employers (78 per cent) had not done anything to inform employees about PPL. Employer responses indicated that most allowed the process of negotiating arrangements for PPL and associated leave to be led by the employee. Thus:

- Three quarters of employers said employees gained information about PPL independent of the organisation;
- Two thirds of employers had informal discussions or provided information, rather than organising a formal meeting, when an employee advised that she was pregnant;
- In these informal discussions and information provision, employers were the first to mention PPL in a minority of cases (38 per cent);
- Leave options were usually discussed (in 83 per cent of cases), and PPL was usually part of the discussion;
- The option of taking the BB was part of the discussion with 38 per cent of employers;

- Most employees who sought information from their employer about PPL were looking for details of how the scheme would be administered within the organisation;
- Employers were generally aware of employees' intentions well in advance, with 70 per cent saying the employee had approached them when they were less than 8 months pregnant.

Keeping in Touch provisions

KIT provisions in the PPL scheme allow employers and employees the option of an employee spending up to a total of 10 paid KIT days at work between becoming the primary carer and the end of their PPL period, without losing their PLP entitlements. Exactly half of all employers were aware of this provision, with larger employers being more likely than smaller ones to know about it. Most (79 per cent) employers that did know about the KIT provision intended to use it, with half already having done so at the time of the survey. Nearly two thirds (59 per cent) of all employers that had used KIT provisions said that the use had benefited the organisation. The most commonly mentioned benefit was helping the employee to keep up-to-date, engaged with the organisation and easing their return to work.

Summary

Almost 130,000 parents applied for the Paid Parental Leave (PPL) scheme in the first full financial year of its operation, 2011-12, according to administrative data. Around 125,000 families received Parental Leave Pay (PLP). In practice, the scheme acted as a maternity pay scheme, with 99.4 per cent of recipients being mothers. Almost all recipients (98.6 per cent) took the full 18 weeks of payments.

The scheme operated much as intended during its first year. Administrative procedures designed to determine eligibility faced very few unexpected issues, and operated as expected. Arrangements for paying claims require that recipients both make a successful claim and provide proof of birth before payments begin. These requirements produced some confusion amongst some PPL applicants. The timeliness of payments was also affected by other inter-related factors. For example, two natural disasters in Queensland affected Centrelink's capacity to process PPL claims in early 2011. Centrelink has developed new strategies and standards to reduce PPL claim processing delays.

A communications campaign was used to raise awareness about PPL and encourage parents to seek detailed information about the scheme. This campaign was effective in informing mothers of the scheme, and virtually all eligible mothers were aware of the scheme whether they applied for it or not. Government advertising, websites and offices were the source of most mothers' awareness and knowledge about the scheme.

Most mothers who were eligible for PLP were also eligible for the Baby Bonus (BB), and made a choice between the payments. It is estimated that 17 per cent of PLP eligible mothers chose to take the BB. Overall, mothers who chose the BB over PLP had more precarious employment arrangements before the birth, and faced other disadvantages, compared to those who chose PLP. For example, compared to mothers who chose PLP, mothers who chose the BB:

- Worked fewer hours before the birth;
- Were more likely to have resigned from their jobs before the birth;
- Were more likely to have been on casual contracts;

- Were more likely to have worked for very small employers, and less likely to have worked for large ones;
- Were more likely to be single mothers; and
- Had lower incomes.

When mothers were asked about their decision to take PLP or the BB:

- Three quarters of those who chose the BB said they did consider applying for PLP, whereas only just over one third of mothers who chose PLP considered applying for the BB.
- They most commonly gave financial reasons as explanations for their choice of payment;
- About three-quarters said they used the online comparison estimator to assist them;
- They usually did not talk to their employers before making the decision (over three quarters did not);
- They usually received support from their employer for their decision if they did talk to the employer;
- Timing issues were significant for some mothers: nearly two-thirds of those who chose PLP cited the time off work with their baby as important in their choice; and a small group of mothers who chose the BB did so because they did not wish to take sufficient leave from work to receive PLP that was greater than the BB.

Most mothers applied for PPL online, and the majority found the process easy. Amongst the 15 per cent who lodged a paper application (often in person at a Centrelink or Medicare office), just under half found the process easy. Those who faced difficulties in the application process indicated they had problems with the length and detail of the application, paperwork associated with confirmation of the birth, or obtaining the assistance they wanted from Centrelink or Medicare offices.

About three quarters of mothers received their PLP through their employer. Overall, just under half (46 per cent) of mothers said that they had experienced a problem of some sort in the payment of PLP, with 22 per cent of all mothers having experienced more than one problem with payments. Mothers paid through employers were much more likely to have experienced a problem (54 per cent did so) compared to those paid through Centrelink (26 per cent did so). Payment problems mothers reported included:

- Not receiving payments on time (by far the most common problem);
- Not receiving one or more payments at all;
- Receiving less or more than they expected.

Administrative data suggests that mothers did not miss out on receiving payments. Mothers' experience of payment issues may be due to a variety of issues including: confusion about when payments would be received, the effects of payments in arrears, or deficiencies in some employers' payment systems.

Almost all mothers (91 per cent) who took PLP were eligible for either paid or unpaid leave from their jobs, with under half (43% of PLP mothers) being eligible for some employer paid maternity or parental leave.

In the 2011-12 financial year more than 24,000 employers provided PLP to over 75,000 employees. Just over one third (36 per cent) of employers provided some form of paid parental leave to their employees, which they could use in addition to PLP.

Public sector employers were far more likely than private for-profit businesses to provide their own paid parental leave (87 per cent of the former compared to 20 per cent of the latter).

Many employers found their role in the PPL scheme to be unproblematic, while some experienced difficulties. Thus:

- Employers generally found it easy to source the information they required about the scheme, and found the information accurate and helpful;
- Just over two thirds of employers found it easy to register for PPL, while about one quarter did not find it easy;
- Most employers (79 per cent) found organising PLP easy, though many (41 per cent) found it time consuming;
- When employers did experience difficulties in their role, they were often associated with timing of receiving the payment from Centrelink and/or making it to mothers;
- Most employers did not change their existing parental leave policies in response to PPL. Very few (3 per cent of all employers) reduced or withdrew existing paid leave policies.
- Less than half of employers (39 per cent) changed their payroll systems as a consequence of the introduction of PPL.
- Less than one third of employers (29 per cent) incurred additional financial costs in implementing their role in the PPL scheme.
- Overall, just under three quarters of employers (74 per cent) found the PPL scheme easy to implement.

An information campaign was used to raise employers' awareness about PPL and encourage them to seek detailed information about the scheme. Employers generally viewed it as an employee's responsibility to obtain information about PPL and then to approach them. Most employers (78 per cent) had not done anything to inform employees about PPL.

KIT provisions in the PPL scheme allow employers to arrange for employees to spend paid KIT days at work, without losing their PLP entitlements. Less than half of mothers (42 per cent) were aware of the Keeping in Touch (KIT) provisions of the PPL scheme. Just over one quarter of mothers who were aware of the KIT provisions (28 per cent) had used them. Half of all employers knew about the KIT provisions, with most of these (79 per cent) intending to use them. Most employers that had used the KIT provisions (59 per cent) said that the provisions had benefited the organisation.

Implications

The main results of the phase 2 evaluation identified aspects of the PPL scheme that may need to be reviewed and/or monitored. The main aspects are as follows:

- The timeliness of PLP payments should be monitored on an ongoing basis.
- Monitoring of PLP recipients will be necessary to measure take-up as well as the functioning of the scheme in relation to the stated objectives of the scheme.
- The choices of less advantaged mothers should be monitored since they were more likely to choose the BB than other mothers, even though they would generally be financially advantaged by taking PLP.

- It will be appropriate to review the communication and information about the PPL scheme, to understand if the decisions of mothers who misunderstood their eligibility could be altered through these products.
- It will be appropriate to monitor the provision of information about the PPL scheme to small employers, to ensure employers new to the scheme (due to the small number of employees in these firms and the frequent establishment of new small firms) are finding the information accurate and helpful in establishing their role in the PPL scheme.
- It will be important to ensure that those mothers who legitimately choose the BB over PLP because of a need or desire to return to work quickly, understand the relative value of the two payments, particularly as the value of the payments further diverges over time.
- It may be appropriate to review the application and birth verification procedures of the PPL scheme. It will be important to ensure all of the requirements associated with the PLP application are necessary. Consideration may also be given to the risks of substantially simplifying the birth verification procedure.
- It will be appropriate to ensure employers accept their role in the scheme expeditiously and to review the procedures for providing PPL funds to employers, since a majority of mothers paid through employers experienced problems of some kind with their payments.
- It will be appropriate to consider the possibility of advancing prepayment to employers. By presuming birth occurs on the due date unless advised otherwise, Centrelink could make an initial prepayment of PPL funds to employers if an employee is deemed initially eligible for PPL based on a pre-birth claim, to ensure employers can make timely payments to PLP recipients.
- It is important to monitor employers' perceptions of the PPL scheme over time, and to ensure they are aware of expectations and future evaluation findings in relation to benefits to them that may accrue from their role in the scheme.
- It is important to continue to provide information to mothers about their statutory unpaid leave entitlements, to try to continue to reduce misunderstanding and lack of awareness about these entitlements.
- It is appropriate to review arrangements for making employers and mothers aware of KIT provisions, and it will be important to continue to monitor their knowledge and use of these arrangements.

Future evaluation tasks

The third and fourth phases of the PPL evaluation began in early 2012, and will be completed in early 2014. These phases of the evaluation will continue to monitor the short-term outcomes of the scheme. In addition, these phases will focus on evidence about progress on the ultimate outcomes of the scheme:

- women's labour force participation;
- maternal and infant health and wellbeing; and
- gender equity.

These phases of the evaluation involve new data collections, including a longitudinal survey of mothers, in-depth interviews with mothers, and a survey and in-depth interviews with employers.

1 INTRODUCTION

Since 1 January 2011, most Australian families in which a mother was in paid employment before the birth or adoption of a baby have been eligible for the new Australian Government funded PPL scheme. The scheme provides eligible working parents with up to 18 weeks of PLP, paid at the rate of the National Minimum Wage, following the birth or adoption of a child. The PPL scheme brings Australia into line with all other OECD countries, except the United States, in having a national scheme for paid leave available to working mothers following childbirth.

The Australian Government Department of Families, Housing, Community Services, and Indigenous Affairs (FaHCSIA) commissioned the Institute for Social Science Research at the University of Queensland to undertake a comprehensive evaluation of the PPL scheme. The evaluation will assess the outcomes of the scheme, including progress towards the three main policy objectives. It will also evaluate operational aspects of the scheme. This report provides the main findings of the evaluation of the operational aspects of the scheme and the scheme's immediate outcomes.

1.1 The PPL scheme

The PPL scheme is designed to improve the support available to Australian families with infants where the primary carer takes time out of the labour force to care for a newborn or recently adopted child. The scheme aims to provide assistance to a broad range of Australian families where the primary carer (who will usually be the child's birth mother) has been working in a paid job for at least 10 of the 13 months before the child's birth. The work test requires that claimants have worked at least 330 hours (on average just over one day per week) during 10 of the 13 months before the birth, with no more than an eight week gap between consecutive work days, a requirement that was designed to be generous. Claimants must also meet residency, income and primary carer requirements. The scheme excludes a small number of families where the birth mother has a very high individual income.

The Australian Government sought to achieve three main objectives in introducing the scheme:

1. To enhance the health of babies and mothers, and the development of children, by enabling working mothers to spend longer at home with their newborn children.
2. To facilitate women's labour force participation, and
3. To encourage gender equality and improve the balance of family and work life in Australian families.

The key features of the PPL scheme are as follows:

- Payments under the scheme are fully government funded, rather than requiring direct employer funding, or being financed through national insurance payments as in many European countries.
- Generally, the birth mother must first be eligible for the payment, and if her partner is eligible and becomes the child's primary carer, she may transfer some or all of the payment to her partner.⁵
- Parents are eligible if they:

⁵ There is provision in the legislation for exceptional circumstances to be considered where the birth mother is incapable of being the primary carer.

- Are the primary carer of a newborn or recently adopted child;
 - Worked for at least 10 of the 13 months (295 days in a 392 day period) prior to the expected date of birth or adoption; and
 - Worked at least 330 hours in that 10 month period (around 7.6 hours per week on average), with no more than an eight week (56 consecutive day) gap between two consecutive working days;
 - Have an individual adjusted taxable income of \$150,000 or less in the financial year before the birth or adoption, or date of claim, whichever is earlier;
 - Are on leave or not working from the time they become the child's primary carer until the end of their PPL period
- PLP is paid at the rate of the National Minimum Wage for up to 18 weeks, and does not vary with the hours or earnings of the claimant before the birth.
 - PLP is paid through employers in the majority of cases. From 1 July 2011 an employer (with an Australian Business Number) must provide PLP to an eligible employee who:
 - Has a child born or adopted from 1 July 2011; and
 - Has worked in the business for at least 12 months prior to the expected date of birth or adoption – consistent with the eligibility requirements for unpaid parental leave under the National Employment Standards (NES) in the *Fair Work Act (2009)*; and
 - Will be an employee of the business for their PPL period; and
 - Is an Australian based employee; and
 - Is expected to receive at least 8 weeks of PLP.

From the start of the scheme (from 1 January 2011) employers could opt-in to provide payments to eligible employees they were not required to pay. The opt-in arrangements are an ongoing feature of the scheme.

- PLP is provided by Centrelink to other eligible parents including short-term and non-ongoing employees, and non-employees such as the self-employed.
- PLP can be taken at any time within the first 12 months of the child being born or entering the parent's care.
- PLP is taxable.
- Families may choose to take either PLP or the BB if they are eligible for both payments, but not both, except if eligible in the case of multiple births.
- Family Tax Benefit Part B and some tax offsets are not available during the PPL period.

In the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme. Around 125,000 families started receiving Parental Leave Pay (excluding those whose payment started in 2010-11 and finished in 2011-12).

1.2 The PPL Evaluation

At the time of the announcement of the PPL scheme in May 2009, the Government committed to undertaking an evaluation and a review of the scheme. The evaluation is aimed at informing the Government about the impacts of the scheme. It will provide evidence to form the basis of decisions that may be taken to amend any aspects of

the scheme. A particular focus of the evaluation is whether there are indications that it will achieve its main objectives (see above).

The evaluation is proceeding in four phases, with the fourth phase being the production of the final report:

Phase 1 (2010-2011) focused on establishing robust baseline data in all areas related to the intermediate and ultimate outcomes of the evaluation.

Phase 2 (2011-2012), the current phase, is focused on evaluating the initial operation of the PPL scheme.

Phase 3 (2012-2013) will focus on evaluating the intermediate and, where possible, ultimate outcomes of the PPL scheme.

Phase 4 (2014) will produce the Final Evaluation Report.

This report presents results from Phase 2 of the evaluation. The focus of this phase is on the operation of the PPL scheme during its first year. It details the main elements of the scheme and how it has operated in the first 12 months, assesses the scheme's immediate outcomes, and summarises the main lessons to be learned from the design and operation of the scheme to date.

This report focuses on answering the following four research questions:

1. What are the main elements and components of the PPL scheme, their rationale and inter-relationships, focusing on the scheme's original design?
2. How has the scheme operated on its implementation? To what extent is the PPL scheme operating as intended, and what factors have resulted in any discrepancies between intent and actuality?
3. What have been the immediate outcomes of the PPL scheme in its early months of operation, and what factors have impacted on these outputs and outcomes?
4. On the basis of Research Questions 1-3, what have been the lessons learned about the design and operation of the PPL scheme?

These questions are answered primarily through data collected specifically for the evaluation. These data consist of:

1. A Policy Implementation study (PI). This study involved 16 in-depth interviews with FaHCSIA and Centrelink staff carried out in July and August of 2011. These interviews focused on the scheme's development and the expectations of key policy makers about the PPL scheme. It aimed to contribute to a complete understanding of the main design features of the scheme. In addition to the interviews, data gathered in this phase included press coverage of the development and implementation of the PPL scheme and numerous data sources. This included all articles which appeared in regional and national newspapers using the topic area 'Paid Parental Leave' and media releases from the Government and other Members and Senators. The press coverage that was obtained covered the period from December 2010-April 2012. The collection and analysis of documents relevant to PPL was a central part of the PPL policy and management process study. Documents were used to provide an understanding of the policy design and the delivery of the PPL scheme. All available, relevant documents were obtained at the commencement of the study and further documents were obtained as they became available. Documents were obtained from a range of sources including the Productivity

Commission, FaHCSIA and on-line web-sites (for example, the Parliamentary website online, Hansard online, and FaHCSIA and Centrelink web-sites).

The main source used in the analysis of the design of the PPL scheme was the Productivity Commission Inquiry Report. This main source is complemented by other materials including:

- Policy statements relating to the PPL scheme including Government policy statements released in May 2009 and May 2010, Ministerial press releases, second reading speeches and Budget Papers;
 - The records of Parliamentary Debates leading to the enactment of the Paid Parental Leave Act 2010 and the rejection of the amendment moved by the Opposition in November 2010;
 - The records of the Senate Community Affairs Legislation Committee's Inquiry into the Paid Parental Leave Bill 2010;
 - The text of the Paid Parental Leave Act 2010 and Rules made pursuant to the legislation, together with related documents such as Explanatory Memorandum and the Paid Parental Leave Guide;
 - Documents such as brochures, guides and the online PPL comparison estimator developed by implementing agencies to inform parents, employers and the community;
 - Other information provided by government agencies such as Annual Reports, content presented on websites;
 - Selected internal documents (for example, Inter-Departmental Committee (IDC) papers and PPL log of email questions);
 - Expert and academic papers providing commentary on the PPL scheme;
 - Externally commissioned reports on the PPL communication campaign;
 - Interviews with public servants who were involved in the development of the PPL scheme; and
 - Press coverage of the development and implementation of the PPL scheme.
2. A Mothers Process Evaluation Study (MoPE). This study involved a survey of a random sample of mothers who were eligible for PLP, along with an in-depth interview study of a purposive sample of mothers from the same population. The random sample survey was a telephone survey; it was used to collect information about mothers' experiences in deciding whether to apply for PLP, applying for PLP (if they did so), and receiving PLP. It also collected background demographics and information about mothers work before a birth, their use of leave, their return to work (if it had occurred), and their partner's employment and leave taking. The MoPE survey had a completed sample size of 901 mothers: 800 mothers who had taken or were approved to take PLP, and 101 mothers who received the BB. The survey had an 81.2 per cent response rate. In-depth interviews were also conducted with a subsample of 97 mothers and fathers. These interviews focused on groups of special interest (i.e. casual and self-employed before the birth, single mothers, Aboriginal and Torres Strait Islander mothers, and fathers who took PLP). They provided more detailed and nuanced information about parents' experiences with the PPL scheme than was available from the survey. All interviews were recorded and transcribed for analysis.

3. An Employers Implementation Phase Evaluation Study (EIPE). This study involved a survey of a stratified random sample of employers who had provided PLP to at least one employee, along with an in-depth interview study of a purposive sample of 41 employers. The random sample survey was a telephone survey that sought information on employers' knowledge of PPL, employers' experiences in administering and paying PLP, and their attitudes towards the scheme, along with information about basic employer characteristics. The EIPE survey had a total completed sample size of 501 employers. The sample was stratified by employer size, and consisted of 117 small employers (2-19 employees), 164 medium employers (20-199 employees), and 220 large employers (200 or more employees). The survey had an 83.6 per cent response rate. It should be noted that most of the results in the tables in this chapter have been weighted to correct for the over- and under-sampling of employers based on organisational size. The weighting of the data means the conclusions drawn here are representative for the total population of employers registered to pay, actively paying or having paid PLP to at least one employee since 1 July 2011. The in-depth interview study sought more detailed and nuanced information about the experiences of a purposive sample of 41 employers. All interviews were recorded and transcribed for analysis.

2 THE DESIGN OF THE PPL SCHEME

Andrew Jones and Kristen Davis

2.1 Introduction

This chapter provides an overview of the design and implementation of the PPL scheme. It begins by providing a brief policy history of the scheme from the request to the Productivity Commission by the Labor Government elected in late 2007 to examine paid maternity leave, through to the scheme's implementation and delivery of payments from January 2011. This is followed by an examination of the design of the scheme including its aims, eligibility requirements, benefits provided, funding arrangements and delivery mechanisms and processes. This examination includes a description of these elements, the rationale and logic for the design decisions that were taken and identifiable risks relating to operation and effectiveness. The chapter provides the context for later chapters of the report which analyse the experiences of public officials in delivering the scheme (chapter 3), of parents in taking up the scheme (chapter 4) and of employers in managing the scheme within their organisations (chapter 5). It provides a reference point for the main questions addressed in later chapters:

- Has the implementation of the PPL scheme during its first year of operation proceeded as envisaged by its designers, i.e. has the scheme in practice accorded with the scheme as envisaged?
- Have the risks associated with the operation of the scheme been managed effectively?
- Have mothers and other carers responded to the scheme as expected? What has been their overall experience of the PPL scheme?
- Have employers responded to the scheme as expected, particularly with respect to their role in providing PLP? What has been their overall experience of the PPL scheme?

2.2 Policy History

2.2.1 Origins

The issue of paid parental leave has been debated in Australia since the early-1970s (Brennan 2009). However, the recent history of the PPL scheme began with the election of the Labor Government in late 2007. The ALP election platform focused on the needs of 'working families' and specifically committed a future Labor Government to introducing a 'paid maternity leave scheme for all mothers with no cost burden to small business' (Brennan 2009:16). This broad commitment did not include any detail regarding design or delivery. Not long after the election, the new Labor Government requested the Productivity Commission to conduct an inquiry into improved support for parents with newborn children. The Commission was asked to report by February 2009 on the economic, productivity and social costs and benefits of providing paid maternity, paternity and parental leave; possible models that could be used to provide such support; and the efficiency and effectiveness of government policies to facilitate these models (Productivity Commission 2009: 28).

2.2.2 *The Productivity Commission Inquiry*

In April 2008, the Productivity Commission released an Issues Paper and invited public submissions. A total of 416 public submissions were received as well as numerous emails, many advising of personal experiences relevant to the provision of paid parental leave. Consultations were held with a range of interested parties and in May/June 2008 a first round of public hearings was held in state and territory capital cities. A draft report was released in September 2008 followed by a second round of hearings. The Commission's Inquiry Report on *Paid Parental Leave: Support for Parents with Newborn Children* was presented to the Labor Government on 28 February 2009 (Productivity Commission 2009) and was publicly released on 12 May 2009.

The Productivity Commission report recommended the introduction of a taxpayer-funded, statutory PPL scheme. It argued that such a scheme would generate child and maternal health and welfare benefits; provide work incentives and improve labour force attachment for women; and reflect community norms regarding women's workforce participation and the need to support work-life balance. It proposed that the scheme provide the National Minimum Wage for a total of eighteen weeks for eligible parents, and an additional two weeks of paternity or partner leave. It proposed that all employed persons with a reasonable degree of attachment to the workforce should be eligible and that eligibility be available to a broad range of family types. It also proposed that employers act as the paymasters of the scheme to strengthen the link between the employer and employee, which should increase business retention rates and improve women's lifetime employment. The Productivity commission also suggested that the issue of superannuation be revisited in a review of the scheme three years after its inception (rec 2.14, p2.59). (Productivity Commission 2009).

2.2.3 *Laying the groundwork*

The Productivity Commission's Inquiry Report was released in February 2009. The decision to proceed with a PPL scheme was announced in May 2009, as part of the 2009-10 Budget. Budget Paper No. 2 detailed the Australian Government's intention to introduce a PPL scheme, closely based on the Productivity Commission's Inquiry Report (Australian Government 2009: 236-7). It was stated in the Budget Paper that the scheme was to be introduced from 1 January 2011 and was estimated to have a net cost of around \$731 million over five years. In 2011-12 (the first full financial year of operation of the scheme) the expected yearly net cost was around \$260 million (with offsets mainly coming from taxation and family payments such as BB and FTB). The payment amount and eligibility requirements were also set out in the Budget Paper.

Following this announcement, in July 2009, a Paid Parental Leave Branch was established in FaHCSIA to begin the task of preparing for the establishment and delivery of the scheme. At the same time, a PPL Interdepartmental Committee (IDC) co-chaired by FaHCSIA and DEEWR was set up to provide oversight and guidance for the PPL scheme. This PPL IDC played a central role in the implementation of the scheme, meeting regularly from July 2009 through to 2011.

The FaHCSIA PPL Branch and the IDC undertook four main tasks in developing the PPL scheme during 2009 and 2010.

Firstly, in conjunction with other agencies, including the Office of Parliamentary Counsel (OPC), they developed the policy detail and legislation required to provide a legal basis for the operation of the scheme. Extensive consultations between government departments were necessary in developing the policy details and the

legislation. An important internal issue affecting this consultative process was the complex policy interactions between the new payment and existing social security and industrial relations provisions, including in particular the National Employment Standards in the *Fair Work Act 2009*. Substantive consultation and coordination were required to take account of these policy interactions. Consequential amendments were required to a range of existing legislation in the key areas of family assistance, social security, workplace relations and taxation, and in other relevant legislation.

Secondly, they established the machinery for the lodgment and processing of claims, the determination of eligibility and the making of payments. This primarily involved Centrelink, but also involved consultation with employers which allowed them the opportunity to feed into the development and design of the employer role. Thirdly, there was a need to inform families about the new payment including eligibility requirements, and application processes. Employers also needed to be informed about the implications of the new scheme and their role in delivery. Finally, processes needed to be established for monitoring implementation and performance, including achievement of intended outcomes.

Although extensive consultation had been undertaken during 2008 by the Productivity Commission, the implementation phase involved further community consultation mainly undertaken by FaHCSIA and the Department of Education, Employment and Workplace Relations (DEEWR) and Centrelink. During the second half of 2009, over 30 consultations were held with over 200 representatives of major employer and employee peak bodies, representatives of small business, family and community stakeholder groups, tax professionals, payroll specialists and software developers. These consultations provided further information concerning employer and community concerns as well as addressing specific implementation issues. Centrelink and FaHCSIA continued detailed consultations with employers during 2010 and the first half of 2011, including consultations with employers providing PLP on a voluntary basis to their employees during the phase-in period from January to June 2011.

In addition to these processes, the Minister established a PPL Implementation Group in 2010 comprising major employer and employee peak bodies, employers, representatives of small business, and family and community organisations. The group has been consulted on a regular basis and has had the opportunity to provide input to policy and service delivery issues and alert the Minister to implementation issues.

2.2.4 The legislation and implementation

An exposure draft of the *Paid Parental Leave Bill 2010* was released by the Australian Government on 4 May 2010; the Bill was tabled in Parliament on 12 May 2010. The Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP, made her Second Reading Speech on the Bill in the House of Representatives on 12 May 2010. The Senate Community Affairs Legislation Committee conducted an inquiry into the Bill, holding two public hearings and receiving 121 submissions from stakeholder groups and individuals. Four government amendments were made in response to the recommendations of the report of the Senate committee (FaHCSIA 2010). On 17 June 2010 the Bill was passed by the Parliament and the *Paid Parental Leave Act 2010* received Royal Assent on 14 July 2010. On 22 December 2010 further detailed requirements relating to claims processes and eligibility requirements were made in the form of Rules made pursuant to the legislation. An Opposition Bill designed to remove the role of employers in administering PLP was introduced into the Parliament on 15 November 2010 but was not passed.

The first claims for PLP were received from October 2010 and the first payments were made from 1 January 2011. The introduction of the scheme was accompanied by an extensive communication campaign that ran from October 2010 to June 2011. During the first six months of the scheme, employer participation in administering PLP was voluntary, but from 1 July 2011 the mandatory employer role was fully phased in for births and adoptions from that date.

In March 2012, the Government signalled its intention to extend the provisions of the PPL scheme with the introduction into Parliament of the *Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012*. Dad and Partner Pay (DAPP) will provide eligible working fathers or partners with two weeks of Dad and Partner Pay at the rate of the National Minimum Wage. The Bill was passed by Parliament on 27 June 2012 and received Royal Assent on 22 July 2012. Dad and Partner Pay will be available to eligible fathers and partners caring for a child born or adopted on or after 1 January 2013.

2.2.5 Summary

This brief overview of the development of the PPL scheme from 2007 to 2012 has identified the main organisational actors and events that shaped the design of the scheme. The main impetus for the scheme was provided by the change of government in late 2007 and the most influential document was the 2009 Inquiry Report of the Productivity Commission, which provided the blueprint for the scheme. The scheme was established and implemented between 2009 and 2011 by public servants in FaHCSIA and Centrelink, in consultation with the other departments represented on the PPL IDC, based on the decisions announced by the Australian Government in the 2009-10 Budget Papers. The public servants' main tasks were to develop legislative instruments; establish machinery for the processing of claims, the determination of eligibility and the making of payments; to inform families and employers about the new payment; and to put in place processes for monitoring performance and outcomes. Throughout these stages there were extensive consultative processes designed both to provide opportunities for the expression of views and to identify and address implementation issues. The outcome of these processes was the passage of the *Paid Parental Leave Act 2010* and the introduction of PLP from 1 January 2011. Dad and Partner Pay (DAPP) will also be available from 1 January 2013.

2.3 Policy design: elements, rationale and risks

The policy processes described above involved deliberation concerning five core issues:

1. What should be the *objectives* of Australia's PPL scheme?
2. Who should be *eligible* to receive PLP?
3. What *benefits* should be provided?
4. How should the scheme be *funded*?
5. How should the scheme be *delivered*?

The main context for public deliberation concerning these issues was the Inquiry conducted by the Productivity Commission during 2008 and 2009. As already noted, the Commission engaged in an extensive inquiry and consultation process and the written submissions to the Inquiry, together with the Issues Paper circulated by the Commission in 2008 and the Inquiry Report of 2009, provide a rich and detailed

account of the issues listed above. These materials include a mix of research evidence and public opinion, both of which were influential in shaping the Commission's recommendations.

The main recommendations contained in the Productivity Commission's Inquiry Report of 2009 were adopted by the Government and enacted through the *Paid Parental Leave Act 2010*. This is an instance of policy development and design initiated by Government but substantially shaped by an independent research and advisory body. Hence, the account in this chapter of the design of the scheme, the rationale for its provisions, and the potential risks associated with this design is drawn largely from the materials associated with the Productivity Commission's Inquiry, and in particular its 2009 report. This main source is complemented by other materials including:

- Policy statements relating to the PPL scheme including Government policy statements released in May 2009 and May 2010, Ministerial press releases, second reading speeches and Budget Papers;
- The records of Parliamentary Debates leading to the enactment of the *Paid Parental Leave Act 2010* and the rejection of the amendment moved by the Opposition in November 2010;
- The records of the Senate Community Affairs Legislation Committee's Inquiry into the *Paid Parental Leave Bill 2010*;
- The text of the *Paid Parental Leave Act 2010* and Rules made pursuant to the legislation, together with related documents such as Explanatory Memorandum and the Paid Parental Leave Guide;
- Documents such as brochures, guides and the estimator developed by implementing agencies to inform parents, employers and the community;
- Other information provided by government agencies such as Annual Reports, content presented on websites;
- Press coverage of the development and implementation of the PPL scheme;
- Expert and academic papers providing commentary on the PPL scheme; and
- Interviews with public servants who were involved in the development of the PPL scheme.

This range of sources has also been used to describe and analyse the processes of implementing and delivering the PPL scheme during the period 2009 to 2011 (chapter 3).

2.3.1 Objectives

Section 3A of the *Paid Parental Leave Act 2010* as originally enacted⁶ explicitly set out the objectives of the PPL scheme:

⁶ The Paid Parental Leave and Other Legislative Amendment (Dad and Partner Pay and other Measures) Act 2012 received royal assent on 14 July 2014. It amends the Paid Parental Leave Act 2010 for the introduction of Dad and Partner Pay. Among other changes, the objectives of the scheme were amended to provide two overarching scheme objectives, and additional objectives for each payment under the scheme. The overarching scheme objectives are to:

- (a) Signal that taking time out of the paid workforce to care for a child is part of the usual course of life and work for both parents; and
- (b) Promote equality between men and women and balance between work and family life.

1. The object of this Act is to provide financial support to primary carers (mainly birth mothers) of newborn and newly adopted children, in order to:
 - a. Allow those carers to take time off work to care for the child after the child's birth or adoption; and
 - b. Enhance the health and development of birth mothers and children; and
 - c. Encourage women to continue to participate in the workforce; and
 - d. Promote equality between men and women, and the balance between work and family life.

This statement can be viewed as comprising two proximate objectives and four long-term or enduring objectives. The proximate objectives are:

- That financial support will be provided to primary carers of newborn and newly adopted children.
- That as a result these carers will take time off work to care for their child after the birth or adoption.

Over time, it is anticipated that this will:

- Enhance the health and development of mothers and children;
- Increase women's workforce participation;
- Promote gender equality; and
- Improve work-life balance.

The rationale for the introduction of a PPL scheme and for the objectives stated in PPL legislation were considered at length in the Productivity Commission's report (Productivity Commission 2009), which drew extensively on both expert opinion and research and public opinion as expressed in verbal and written submissions. The arguments canvassed by the Productivity Commission were discussed and debated in the Parliament, the media and in expert and academic commentary. The argument and evidence underpinning each of the four long term objectives referred to in the *Paid Parental Leave Act 2010* are now discussed.

2.3.1.1 Maternal and child health

The first set of arguments outlined by the Productivity Commission in support of the introduction of a PPL scheme concerned the impact of such a scheme on maternal and child health (2009: xviii-xxiii, 4.1-4.59). The Commission argued that:

There is compelling evidence of health and welfare benefits for mothers and babies from a period of postnatal absence from work for the primary caregiver of around six months. There are also reasonable grounds to expect benefits from longer periods of exclusive parental care up to nine to 12 months. (2009: xviii)

In arriving at this view, the Commission relied on research evidence that non-parental care during the first few months of a child's life can lead to behavioural problems and delayed cognitive development for some children. It also relied on evidence that exclusive breastfeeding during the first six months has health benefits for children and mothers, and that there was a positive association between provision of paid parental

The additional objectives for PLP are those listed above at (1) (a), (b), (c). Phase 2 of the PPL Evaluation focuses on the original scheme objectives listed above under section 2.3.1

leave and the duration of breastfeeding. The Commission also found that there was scope for paid leave to prolong beneficially the parental care of babies, given prevailing low rates of breastfeeding and the high incidence of women returning to work earlier than six months and often against their own preferences (2009: xix-xx). The length of time of paid parental leave proposed by the Commission was linked to their estimates of the time needed to achieve significant health benefits (2009: 2.3.3). The Commission also cited evidence that paternity leave has emotional benefits for fathers; that it positively affects children's emotional and educational achievement; and that it provides support to the mother. On this basis, they proposed two weeks of Paid Paternity Leave (2009: 4.1). With respect to all of these issues, the Commission drew on the views of organisations representing women and mothers and on individuals' accounts of their experiences, as well as the research evidence.

The Productivity Commission's argument concerning the health and wellbeing benefits of the PPL scheme were endorsed by the Minister in her Second Reading Speech introducing the *Paid Parental Leave Bill 2010* into the Parliament:

Paid Parental Leave will give babies the best start in life. It means one parent has the financial security to take time off work to care for their baby at home during the vital early months of their baby's life. It will give mothers time to recover from birth, and to bond with their baby. (Commonwealth of Australia, *Parliamentary Debates*, House of Representatives, 12 May 2010, Jenny Macklin, Minister for FaHCSIA)

2.3.1.2 Women's workforce participation

The second argument developed in considerable detail by the Productivity Commission in support of the introduction of a PPL scheme concerned the impact of such a scheme on lifetime workforce participation by women (2009: xxiii-xxiv, 5.1-5.39). The Commission noted that a PPL scheme would (intentionally) reduce a woman's labour force engagement while her baby was young. However, it argued that this would be offset over the long term in two ways. Firstly, PPL is an in-work benefit and its availability would provide an incentive to women outside the labour force to become employed. Secondly, PPL would increase women's workforce attachment and hence workforce retention rates:

In the absence of paid leave, many women resign from their jobs and lose contact with their former employers. It is harder to re-enter employment from outside the labour force compared with the expected return to work implied by taking a period of paid leave. (Productivity Commission 2009: xxiii)

The Commission estimated that the proposed PPL scheme would result in a net increase in average female lifetime employment of approximately six months. It noted that Australian women's participation rates during their prime reproductive ages are significantly lower than many other OECD countries, and that there was scope for policies such as PPL to significantly raise workforce participation rates for women of these ages. It emphasised that the welfare and taxation systems currently imposed some disincentives for women to work and that PPL would partially offset these disincentives.

As with the themes of maternal and child health, the arguments relating to women's workforce participation were emphasised by the Minister when introducing the Paid Parental Leave Bill 2010 into the Parliament. The Minister argued that the PPL scheme would support women to maintain their connection with the workforce and boost female workforce participation rates by reducing a barrier to greater participation by women. The Minister also emphasised the advantages for business:

Business will benefit from the retention of skilled and experienced female staff but will not have to fund the parental leave payments. (Commonwealth of Australia, Parliamentary Debates, House of Representatives, 12 May, 2010, Jenny Macklin, Minister for FaHCSIA)

2.3.1.3 Gender Equity

The advancement of gender equity as a core objective of the PPL scheme was also discussed in some detail in the Productivity Commission Report (2009: 6.11-6.15). The Commission noted that some participants in its consultative processes saw this as the core issue, emphasising the role of a PPL scheme in creating greater equity between men and women in the ability to engage in paid work. A statutory PPL scheme was viewed as a means of providing PPL to a much wider range of women than those covered by voluntary, employer-provided schemes, including women in lower paid and tenuous employment. However, the Commission noted that the overall impact of its proposed PPL scheme on the gap between male and female labour force participation rates was likely to be small. It also emphasised the role of personal belief and ideology:

What is perceived by some as undesirable from a gender equity viewpoint may be seen by others as their preferred way to organise their household.
(Productivity Commission 2009: 6.11)

The Commission drew attention to some of the complexities of the gender equity issue. It set out the argument that PPL signals the importance that society places on the unpaid work that parents, especially mothers, do in caring for their children. However, it also noted the contrary argument that PPL might strengthen the gender-based division of labour by encouraging the mother to take extended leave to raise the child and organise the household while the father continues in the paid workforce.

2.3.1.4 Work/life balance

The fourth stated objective of the PPL scheme was that it would address work/life balance issues for families with infants. The Minister emphasised that a central aim of the PPL scheme was to respond to 'the challenges and realities of modern family life by giving parents more time at home with their new baby and helping them balance their work and family responsibilities' (Commonwealth of Australia, Parliamentary Debates, House of Representatives, 12 May, 2010, Jenny Macklin, Minister for FaHCSIA).

In a similar vein, the Productivity Commission, while acknowledging the diversity of community views concerning issues such as gender equity, argued that 'there is evidence of a shift of view within the community to favour government support for those seeking to juggle family life with a continuing role in the paid workforce' (Productivity Commission 2009: 6.16). It argued that these changing norms reflected the dramatic increases in female workforce participation rates of the last thirty years (1978-79 to 2007-08) in response to cultural change, greater educational attainment, the switch to a service-based economy, lower fertility rates, provision of child care and increased productivity in domestic chores. It noted that the employment rate of mothers of children aged 0-4 in couple families rose from 28.8 to 51.0 per cent and of children aged 5-9 from 50.5 to 74.8 per cent (Productivity Commission 2009: 5.6-5.7). In this sense, the final rationale for the introduction of a PPL scheme is that it is a response to the exigencies of family life in the early twenty-first century.

If PPL is viewed as a response to the challenges and realities of modern family life, one of the main arguments for the introduction of a mandatory scheme was the uneven access to employer-funded parental leave. The Productivity Commission

found that in 2007, around 54 per cent of all female employees had access to some form of employer-funded maternity leave, however only about one third of employed women who had children received paid maternity leave from their employer. Part-time workers, workers in the private sector, and workers in low skilled, low pay casual jobs were strongly under-represented in access to employer-funded maternity leave. Less than a quarter of women on very low wages had access to employer-funded maternity leave compared with three quarters on high wages (Productivity Commission 2009: 3.1-3.28; Australian Government 2009: pp. 2-3). Whatever the ultimate benefits of the PPL scheme were deemed to be, a central rationale for the introduction of a public scheme was to provide greater equality of access to the immediate benefits.

2.3.2 *Risks*

A number of risks to the achievement of the objectives set out in the PPL legislation can be identified. Firstly, the long term or 'ultimate' outcomes emphasised both in the objectives of the scheme and in the rationale provided for its introduction depend on the level of success in achieving immediate and intermediate outcomes. This point is shown clearly in the program logic diagram presented in chapter 3. Unless the scheme is successful in achieving immediate outcomes such as delivery of PPL payments to eligible families, and unless this leads to intermediate outcomes such as mothers spending more time with their new children, ultimate outcomes such as improved infant health will not be achieved. Furthermore, it can be argued that take up by families in greatest need of financial support at the time of the birth of a child is of greatest importance, as the PPL scheme is likely to have the greatest impact on these families and less impact on families already able to access paid parental leave through pre-existing employer provided schemes.

Secondly, there is a risk that by espousing broad and general objectives such as greater workforce participation and improved infant health outcomes, the PPL scheme might be setting overly ambitious goals. There is a need for the scheme to manage expectations. This point was recognised by the Productivity Commission which estimated that the likely net increase in average female lifetime employment flowing from the PPL scheme was likely to be approximately six months. The development of reasonable expectations and performance targets for the scheme is of considerable importance.

Thirdly, there is the difficulty that two of the four stated objectives inherently involve significant value judgements. There is a considerable diversity of opinion within the community, and within individual households, as to the meaning of 'gender equality' and 'work/life balance'. This also raises the importance of developing measures of these concepts and performance targets that have widespread community support.

Fourthly, there is the risk of unintended consequences. For example, it was noted above that one potential criticism that could be made of the design of the PPL scheme is it might strengthen the gender-based division of labour by encouraging a mother to take extended leave to raise the child while the father continues in the paid workforce.

Finally, there is the problem of attribution of ultimate outcomes to the PPL scheme itself. The interpretation of changes over time in the outcomes associated with the objectives of the PPL scheme will need to take account of the scale and likely level of impact of the PPL scheme; the numerous other factors impacting on outcomes such as maternal workforce participation and infant health; the long-term nature of some desired outcomes; and the shifting social, economic and cultural context.

2.3.3 Eligibility

The issue of eligibility for the PPL scheme is fundamental to its conception and purpose, raising central policy questions as well as technical and implementation considerations. In broad terms, there were four eligibility issues to be addressed in the design of the PPL scheme. These were:

1. To which parent or carer should Parental Leave Pay apply?
2. What work test should be applied?
3. Should Paid Parental Leave be income tested, and if so at what income level?
4. What Australian residency test should be applied?

2.3.3.1 Who should be eligible to claim?

A fundamental eligibility issue was the question of which parent or carer should be able to claim PLP. This is addressed in the *Paid Parental Leave Act 2010* by specifying that to be eligible for PLP a person must be 'the primary carer of the child' (subsection 31 (2) (d)) and that a claim for PLP can only be made by the child's birth mother, or by the adoptive parent who is the initial primary carer; additionally, a claim can be made by the partner of the child's birth mother, or the other parent of the child or their partner, for the unused portion of PLP that is available at the time a change in primary care occurs. A claim can also be made by another person if 'exceptional circumstances' apply, such as situations in which the birth mother or adoptive parent and their partner is incapable of caring for the child.

These and related provisions essentially set out three principles with respect to eligibility to claim. Firstly, the child's birth mother (or an adoptive parent) is given primacy in making claims for PLP. Secondly, and subject to the first principle, an element of flexibility is provided to enable parents to make their own work and family choices. The legislation allows all or part of the PLP to be transferred to the primary claimant's partner or the child's other parent or partner, provided they are the primary carer of the child and also meet the scheme's other eligibility requirements. Thirdly, flexibility is also provided to cover those situations in which the birth mother or adoptive parent of the child and their partner is incapable of caring for the child.

The rationale for these principles was set out in detail in the Productivity Commission report, whose recommendations on these points underpinned the Act. With respect to the first principle, the Commission explicitly stated its view that mothers and fathers should not be provided with equivalent access to PPL: 'where both parents are eligible, it is the mother who decides who can take paid parental leave ... and ... an eligible father cannot access paid parental leave if the woman is ineligible' (Productivity Commission 2009: 2.35). Three reasons for this position were given. Firstly, it reflected the unique capacity of the mother to breastfeed her baby with consequent health and other benefits for the mother and baby. Secondly, it reflected existing circumstances in which women are in most cases the primary carers of infants. Thirdly, it was required for administrative effectiveness: it removed the need to arbitrate disagreements between parents about leave arrangements (Productivity Commission 2009: 2.22-2.38).

The rationale for the flexibility to allow PPL to be transferred to fathers or partners either in part or in full was that it is increasingly common for men to spend some time as the primary carer of the child during its first year and that this should be encouraged. The Commission also cited circumstances in which the mother was in ill-health or where the mother was a high income earner whose income was required for mortgage repayments (Productivity Commission 2009: 2.34).

2.3.3.2 What work test?

The other basic eligibility issue to be decided was the work test. The central question was: What level of participation in paid work in the period prior to the birth of the child should be required to create an entitlement to Paid Parental Leave?

The provisions of the *Paid Parental Leave Act 2010* were based on the principle developed by the Productivity Commission that, 'a critical requirement for eligibility to paid parental and paternity leave is genuine attachment to the labour market prior to birth' (2009: 2.22). In its earlier draft report, the Commission proposed the straightforward criteria of continuous employment for twelve months prior to the expected date of birth and an average of at least ten hours of paid work per week. However, it was pointed out through the consultation process that these criteria may not be appropriate for parents having second or subsequent children, as a significant number of women in this group work less than ten hours per week and have relatively short work tenures. Setting the work test too high could discourage women from re-entering work on a part-time or casual basis after the birth of a child.

As a result of these considerations, the Productivity Commission set out a more intricate methodology to establish operationally the definition of 'genuine attachment to the labour market' (2009: 2.22-2.25) for purposes of the PPL scheme. This involved the need to satisfy two criteria:

- Worked for at least 10 of the 13 months (295 days in a 392 day period) prior to the expected date of birth or adoption; and
- Worked at least 330 hours in that 10 month period (7.6 hours per week on average).

The flexibility of this work test was one of the key points emphasised by the Minister in introducing the PPL Bill. She stressed that seasonal, contract and casual workers, who often receive no paid leave entitlements, could receive PLP provided they meet the work test. This would include those not in work immediately prior to the birth of their child who would be paid directly by Centrelink rather than via their employer (Commonwealth of Australia, *Parliamentary Debates*, House of Representatives, 12 May, 2010 (Jenny Macklin, Minister for FaHCSIA)).

2.3.3.3 Return to work

In developing the Legislation, return to work limitations during the PPL period also had to be considered. What level of participation in paid work subsequent to the birth of a child should result in loss of entitlement?

Subsequent to the birth of a child, a person's eligibility for PLP ceases from the earlier date of when they have received the full 18 weeks of PLP, upon their return to work, or on the first anniversary of the child's birth or entry to into care. The *Paid Parental Leave Act 2010* states that a person is deemed to have returned to work after the birth of the child on the day that 'the person performs one hour or more of paid work other than for a permissible purpose' (section 48). A permissible purpose for an employee is defined as a paid work activity to enable the employee to keep in touch with their workplace in order to facilitate their return to work after the end of their leave. A permissible purpose for a self-employed person is defined as 'overseeing the business or ... an occasional administrative task for the purposes of the business'. This is designed to reflect the reality that a small business person may still need to oversee their business during the first few months of their baby's life. An employee is allowed up to ten paid 'keeping in touch' days for purposes such as training, planning

and conference attendance. The rationale is that attending such events may facilitate a return to that employment once the period of Paid Parental Leave expires.

2.3.3.4 What income test?

The third aspect of eligibility addressed in the *Paid Parental Leave Act 2010* is income. The Productivity Commission's view on this issue was that as a work-related entitlement, statutory parental leave pay should not be income tested, and should extend to all primary carers meeting the employment test (2009: 2.1). The Commission also argued that as a central goal of the scheme was to promote child and maternal health and welfare benefits by encouraging longer leave durations for families, it should apply to all families irrespective of income. The Commission maintained this position while recognising that a small group of higher income families would be likely to receive a larger net benefit in absolute terms than most other families, due to their ineligibility for the BB and family tax benefits (Productivity Commission 2009: 9.19). Despite this recommendation, the *Paid Parental Leave Act 2010* introduced an income limit of \$150,000 based on a person's individual adjusted taxable income in the year prior to the birth or adoption, or making a claim for PLP. This limit was to be indexed in line with changes to the Consumer Price Index from 2012, in line with other family assistance thresholds⁷. The inclusion of an income test was a government decision, consistent with the principle of targeting government support to those most in need and brings the PPL scheme in line with related payments with an income test such as the BB and Family Tax Benefit. It was estimated by the officials developing the scheme that the number of parents affected by the income test would be a very small fraction of all parents eligible for the PPL scheme.

2.3.3.5 What residency requirement?

The final eligibility requirement was that claimants must meet an Australian residency test. The particulars of this test outlined in clause 45 of the *Paid Parental Leave Act 2010* are similar to the residency requirements for the BB, which are closely based on the residency requirements in the *Social Security Act*. However, unlike the BB, the test is applied on a daily basis from the time the claimant becomes the primary carer of the child until the end of their PPL period, and must continue to be met in order for a person to remain entitled to receive PLP.

2.3.3.6 Risks

It is clear from this account that considerable emphasis was placed on the importance of flexibility in devising the eligibility criteria for the PPL scheme. While the scheme unambiguously gives primacy to the child's birth mother or initial primary carer adoptive parent as the claimant of PLP, it accommodates circumstances in which the father or partner is the primary carer and circumstances in which the mother and father (or partner) both undertake the duties of primary carer but at different times. The scheme also accommodates 'exceptional circumstances' involving other persons as the primary carer. Similarly, with respect to the work test, considerable flexibility was introduced in order to accommodate women working on a part-time, casual, seasonal, contract or self-employed basis provided 'genuine attachment to the labour market' can be demonstrated.

These flexibilities are in line with the recommendations of the Productivity Commission Report of 2009. The Productivity Commission proposed the broad

⁷ Subsequent Government decisions paused indexation of the income limit to July 2014.

principle that eligibility requirements should be as flexible as possible, subject to the requirements of accountability and administrative feasibility (Productivity Commission 2009: 2.22). The Commission identified four risks associated with excessive flexibility:

- Imposing costs on businesses and taxpayers;
- Confusing parents about their entitlements;
- Creating unintended impacts such as fraudulent claims; and
- Increasing requirements for complex accountability processes (Productivity Commission 2009: 2.22).

The flexible eligibility criteria built into the PPL scheme have wide-ranging implications for implementation. They increased the requirements for careful drafting of legislation, rules and guidelines; appropriate administrative control processes; and high quality information dissemination.

A further risk identified by the Productivity Commission was that the deliberately different treatment of men and women with respect to the identification of primary carer for purposes of claiming PLP could result in allegations of unlawful gender-based discrimination, as was the case with respect to similar arrangements in New Zealand (Productivity Commission 2009: 2.35). On this issue, the PPL scheme seeks to reflect prevailing child care practices, while providing some flexibility to accommodate other arrangements. Any such approach may be vulnerable to claims that it is entrenching values not shared by all community members.

2.3.4 *Benefits*

The financial benefit conferred by the PPL scheme comprises PLP for up to eighteen weeks at the rate of the National Minimum Wage. It is paid at the same rate regardless of pre-birth incomes. It is subject to income taxation, and is included as income for assessment of family payments, but not for income support payments (including Parenting Payment, Newstart, Disability Support Pension). Parents in receipt of PLP are not eligible for the BB (except for second and subsequent children in multiple births) and lose access to Family Tax Benefit Part B for the PPL period.

This period of up to eighteen weeks of PLP must be taken within one year of the birth or adoption of the child as one continuous period. It can be combined (taken before / after or simultaneously) with employer-provided paid and unpaid parental leave entitlements.

This set of entitlements essentially follows the recommendations made in the Productivity Commission Inquiry Report, and the rationale for this approach is developed in detail in the Report. The following questions in particular require explanation:

Why 18 weeks of leave?

- Why is payment at the level of the National Minimum Wage?
- Why a taxable payment?
- Why the proposed interactions with other government payments?
- Should superannuation be included?

2.3.4.1 Duration and timing

The Productivity Commission reported that the appropriate duration and timing of Paid Parental Leave was one of the most vexing questions that it faced, and that a wide diversity of views on this issue were presented to it (Productivity Commission 2009:

2.39). It acknowledged that there was no 'exact science' to determine the issue. Nevertheless, the recommendation of an 18 week period of continuous leave to be taken during the twelve months immediately after the birth of the child was carefully and closely argued.

The primary justification for the choice of an 18 week period was that this was the most cost-effective means of achieving positive child and maternal health and welfare outcomes. Drawing on evidence that the greatest health and welfare benefits resulted from exclusive parental care during the first six months (and possibly up to twelve months) of life, the Productivity Commission argued that an 18 week period of leave paid at the National Minimum Wage would be most likely to achieve the desired outcome of parents, especially mothers, remaining at home during the first six months or longer (Productivity Commission 2009: 2.44-2.47).

A number of additional arguments were used to back this conclusion. Firstly, it was argued that the health and welfare benefits of prenatal leave were less than those associated with postnatal leave, and that therefore, 'for any given budget, a longer period of postnatal leave – where behaviour is susceptible to change – would be preferred to a scheme that allocated leave over both the pre and postnatal periods' (Productivity Commission 2009: 2.40). Secondly, the Commission cited evidence that many women returning to work early after the birth of a child were low income women doing so primarily due to financial pressures. A reasonable level of payment over a duration of 18 weeks would be likely to impact the employment behaviour of these mothers in particular (Productivity Commission 2009: 2.45).

The third argument was that a period of 18 weeks of paid leave would be sufficient to achieve the objective of parents caring for their children for a minimum of six months, as most parents also use other options to enable the mother to stay at home such as using other leave and savings reserves, etc. In this sense, the Productivity Commission argued that the 18 week paid leave provision was a form of co-funding:

... if a period of around six to nine months is around the 'right' period of absence [from work to care for children], then a paid parental leave scheme that gave parents around 18 weeks of postnatal leave would entail co-funding by parents of around two to five months, which most families would find affordable. (Productivity Commission 2009: 2.45)

The Commission's view was that 'co-funding would recognise that both society and families have responsibilities to assist in the upbringing of children' (2009: 2.45). It also argued that the greatest positive impact of this co-payment would be on low income families who have the lowest representation in privately negotiated paid parental leave schemes.

The Productivity Commission's views on the timing of statutory paid parental leave were also couched in terms of maximising health and welfare outcomes. The Commission argued that PPL should commence at birth, or after a period of other continuous leave that commences at the birth of the child; that it should be taken within 12 months of the birth of the child; that it should be for a continuous period; and that there should be a restriction of one transfer only between parents as primary carers while taking PPL. While the advantages of flexibility in care arrangements were noted, the Commission stressed the paramount importance of the 'child welfare benefits of continuous, exclusive parental care' (Productivity Commission 2009: 2.45). Importantly, the Commission recommended that employees be allowed to take statutory PPL at the same time as other privately negotiated leave if they wished to. The Commission concluded that this would have little negative impact on incentives to stay on leave for a longer period, and that any such disincentives were outweighed by

the personal and administrative advantages of allowing employees to make their own choices (Productivity Commission 2009: 2.40-2.42).

In summary, the Productivity Commission's recommendation with respect to an eighteen week period of continuous paid parental leave was predominantly shaped by its view that this was the most cost-effective way of providing incentives for parents, especially mothers, to provide continuous, exclusive parental care for a period of six to twelve months after the birth of the child, thereby maximising positive maternal and child health and welfare outcomes. A period of paid parental leave shorter than 18 weeks would not achieve the desired outcomes especially for low income families; a longer period would impose an increased financial burden and the marginal benefits would not be worth the additional cost.

2.3.4.2 Payment level

A somewhat similar set of considerations underpinned the Productivity Commission's recommendations with respect to a flat-rate payment at the level of the National Minimum Wage. To justify this level of payment, it argued that it would mean that low income female employees were better off than they would be on welfare payments, providing incentives for these women to maintain their attachment to the labour force. In response to arguments that full replacement wages should be provided as in some European countries, the Commission argued that this would impose too great a burden on taxpayers and that it would be inequitable and ineffective. It pointed out that many high earning women already have strong attachment to the labour force, often have privately negotiated paid maternity leave, and often have greater capacity to self-finance leave (Productivity Commission 2009: 2.6). The Commission pointed out that the proposed payment level varied significantly as a proportion of the annual income of eligible parents, thus providing very different financial incentives for families at different points on the income scale.

2.3.4.3 Taxation

The Commission recommended that PLP be subject to taxation. Several justifications were provided for this recommendation. Firstly, it was presented as a means of limiting the overall, net cost of the scheme. Secondly, it was argued that this would make the taxation treatment of PLP consistent with other wage income, reinforcing the perception that this is a workforce entitlement, not a welfare payment. Thirdly, the taxing of parental leave payments would result in a fairer distribution of benefits amongst different income groups. Finally, it was argued that as those on lowest incomes would be less affected by taxing the payment than higher income earners, expenditure would be directed towards those most likely to benefit from the scheme thus improving cost-effectiveness (Productivity Commission 2009: 9.20-9.22).

2.3.4.4 Interaction with family payments

A further consideration of central importance to the operation of the scheme was its interaction with the existing suite of family benefits, including Family Tax Benefit (Parts A and B), Parenting Payment, the BB, Child Care Benefit and the Child Care Tax Rebate. The Commission estimated that its proposed PPL scheme would increase overall Australian Government expenditure on family related payments by only approximately 1.2 per cent. It stressed that the main significance of PPL was its impact on behaviour change with respect to parental care of babies and labour force attachment rather than financial assistance as such. In order to ensure that most families have financial incentives to take up PPL, and to offset part of the costs of the scheme, it was recommended that families receiving PLP should not receive the BB, other than in the case of multiple births. Family Tax Benefit Part B also would not be

payable during the PPL period. Further, income from PPL would not be treated as income for purposes of determining the level of entitlement to the Parenting Payment and to other income support payments including the Disability Support Pension and Newstart (Productivity Commission 2009: 9.2-9.14).

In 2009 the National Minimum Wage was \$543.78 per week and PLP at that rate for 18 weeks provided a total income of \$9788.04. Taking into account its proposals with respect to taxation and interaction with other benefits, the Commission estimated that, on average, eligible families in 2009 would receive an additional \$1750 by taking PLP compared with the BB. Based on analysis of the financial impacts of the proposed scheme, the Commission estimated that 86 per cent of eligible families would opt into parental leave. On average the net benefits to these families that opted in would be \$2042 compared with taking BB. The Commission estimated that average benefits would be similar for families in different income groups, with lower income families receiving somewhat higher benefits than higher income families.⁸

2.3.4.5 Superannuation

The Commission also considered the issue of the payment of superannuation contributions by employers while employees were on statutory PPL. The Commission supported such payments on the grounds that PLP 'is a work-based benefit ... and that a period of caring for children while employed is a normal feature of employment' (Productivity Commission 2009: 2.6). However, given the current global financial crisis and the uncertainties for employees associated with the proposed new scheme, the Commission recommended that the introduction of payment of superannuation contributions by employers be delayed for three years (2009: 2.14).

2.3.4.6 Paternity leave

In addition to PPL, the Productivity Commission recommended the introduction of a two week period of exclusive paternity leave on a 'use it or lose it' basis for fathers or other eligible partners who share in the daily primary care of the child. It proposed that paternity leave would be required to be taken as one block within 12 months of the birth. This period of paid paternity leave could be taken at the same time as the primary carer's PLP, but not concurrently with other forms of the father's paid leave (Productivity Commission 2009: xlii-xliii).

The rationale provided by the Commission for the introduction of a short period of paid paternity leave to complement PLP was the desirability of providing greater opportunities for fathers (and partners) to take on a greater parenting role, especially when children are very young. The Commission cited evidence that when men care for infants they are likely to be involved in the care of their children over the longer term, and that there are benefits to fathers of greater early involvement with their children. A number of submissions to the Commission argued that paternity leave could have a positive impact on children's longer-term development and that it enabled men to assist the mother in the weeks after the birth. The Commission also considered evidence that statutory paternity leave legitimised the taking of leave by fathers at the time of the birth of their children (Productivity Commission 2009: 6.8-

⁸ The Productivity Commission noted that the major exception would be higher income families not eligible for the BB due to its income test. The Commission estimated that these families (about 5.5 per cent of all eligible families) would receive an average net benefit of \$6490, far higher than for other families (Productivity Commission 2009: 9.15-9.18). However, as an individual income test of \$150,000 was introduced as an eligibility requirement for the PPL scheme, most of these families would not receive either PPL or the BB (BB is not payable if a family's estimated combined adjusted taxable income is over \$75,000 in the six months after the child is born or enters parents' care).

6.9). Hence, the paternity leave recommendation, together with the flexibility built into parental leave to enable families to choose to involve the father in child care, were viewed as a means of achieving gender equity outcomes as well as signalling the legitimacy of fathers' role in child care.

The paid paternity leave provisions recommended by the Productivity Commission were not included in the *Paid Parental Leave Bill 2010* introduced into Parliament in May 2010. However, the Minister indicated that the matter would be addressed in the evaluation of the scheme to be completed by the end of 2014. As indicated earlier in this chapter, the *Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012* was passed by Parliament on 27 June 2012 and received Royal Assent on 22 July 2012. It provides for the introduction on 1 January 2013 of Dad and Partner Pay along the lines proposed by the Productivity Commission in its 2009 Inquiry Report.

2.3.4.7 Risks

The form and structure of benefits provided through the PPL scheme were carefully designed to meet the scheme's objectives. The scheme is designed to support change in parental behaviour and community attitudes. Three specific changes in behaviour and attitudes are envisaged.

Firstly, the PPL scheme aims to encourage parents, especially mothers, to remain at home to care for a child during the six to twelve months after birth. This is prioritised on the basis of evidence linking such behaviour to health and welfare outcomes for the mother and child (and to some extent the father). Secondly, it aims to promote labour force attachment by structuring PLP as a form of work-related entitlement rather than as a welfare payment. Thirdly, it aims to legitimise both parents taking time out of the workforce to care for an infant as part of the usual course of life and work.

The broad risk associated with this strategy is that the form and structure of benefits will fail to achieve the short term and longer term objective in behaviour change. The specific risks are identified through the following questions:

1. Will 18 weeks of PLP be sufficient incentive to ensure that a mother (or father/partner) remains in a caring role for the six to twelve months required to achieve the desired health and welfare outcomes?
2. In particular, will low income families (who are a priority as they tend to return to work earlier) find co-funding of this period of care affordable?
3. What will be the actual outcome, in terms of length of time spent in a child caring role, of allowing employees to take statutory PLP at the same time as other privately negotiated leave?
4. Will the financial advantage for most families of choosing PLP over BB and other family support payments in fact translate into high take up of PLP?
5. Will families be able to understand the implications of their options (especially between PLP and BB) and make an informed choice?
6. Will the choice of PLP actually result in greater labour force (or workplace) attachment, e.g. a higher proportion of women returning to work after time spent in a child caring role compared to what was previously the case?
7. To what extent does the delayed introduction of paid paternity leave (Dad and Partner Pay) impact on the objective of increasing fathers' involvement in child care?

8. Will the structure of benefits provided achieve the twin goals of longer parental engagement in care of children and greater attachment to the labour force?

2.3.5 Funding and cost

2.3.5.1 Funding

The PPL scheme set out in the *Paid Parental Leave Act 2010* provides for the Australian Government to exclusively fund PLP and Dad and Partner Pay. These arrangements are in accord with the recommendations of the Productivity Commission (2009: 2.13-2.19). The Commission examined a range of other possible arrangements including direct employer financing and arrangements involving a pooling of risk across all employers via a hypothecated payroll tax. Such arrangements would have been in line with the Commission's overall emphasis on presenting PPL as an employee benefit rather than a welfare payment. However, these alternative arrangements were rejected on a number of grounds. Full employer financing was judged to be a financial risk for businesses, especially small ones, that employed high proportions of women and to exacerbate the possibility of discrimination against women of reproductive age. Pooling of risk via an earmarked payroll tax was ruled out on grounds of administrative complexity and cost. By contrast, a government-financed scheme was viewed as relatively straightforward to manage and equitable in that the tax burden is spread across the whole community.

While public funding is a central feature of the PPL scheme, two types of costs were placed on employers. Firstly, the decision to make employers provide PLP to their eligible long-term employees, in order to stress the employment-related nature of the benefit, imposed ongoing management costs on businesses. In addition, there were also transitional costs for employers of preparing for the scheme's introduction such as developing record systems, adapting payroll systems and considering changes to existing private schemes to accommodate the new arrangements (Productivity Commission (2009: 2.14-2.159).

The Productivity Commission also argued that there was an in-principle case for employers to pay superannuation for employees on PLP. Although at the time that the Productivity Commission reported there was no statutory requirement for superannuation to be paid during periods of parental leave, the Commission expressed the view that:

...broadening entitlement to superannuation benefits to cover statutory parental leave payments would be consistent with the goal of making the statutory system mirror...leave arrangements more generally. It would emphasise that the statutory scheme is a work-based benefit...and that a period of caring for children while employed is a commonplace feature of employment. (Productivity Commission 2009: 8.37)

However, the Commission argued that there was a case for deferral of the introduction of superannuation payments given the global financial crisis and until employers had become more accustomed to the PPL scheme, and suggested that the issue be revisited in a review of the scheme three years after its inception (rec 2.14, p2.59).

One concern raised by participants in the Productivity Commission's Inquiry was that a publicly-funded PPL scheme might 'crowd out' existing employer provided schemes, i.e. that businesses might withdraw or reduce the generosity of their existing or planned parental leave provisions (Productivity Commission 2009: 7.16-7.22). The Commission's considered view was that this was unlikely to occur as most employer

provided schemes have a higher payment rate and because of the negative message this would send to a firm's employees. They suggested that some firms might in fact restructure their existing schemes to top-up government funded leave to full replacement wages. However, they recommended close monitoring of this aspect of the implementation of the PPL scheme.

2.3.5.2 Costs

A recurring emphasis throughout the Productivity Commission Inquiry Report is the importance of minimising the net cost to taxpayers associated with the introduction of a PPL scheme. Furthermore, the Commission's view was that the introduction of PPL could be used to improve the overall efficiency of public spending on family support payments (Productivity Commission 2009: 8.26). The two main existing measures providing support for parents of newborn babies were the BB and Family Tax Benefit Part B. The Commission suggested that many families were using the BB to finance some of their parental leave (Productivity Commission 2009: 9.8). Indeed, the Commission indicated its agreement with the view that the BB was in effect a social security alternative to private sector provision of paid maternity leave (Productivity Commission 2009: xvi and 8.27). It argued, however, that the BB was unsuited to achieving the longer term objectives of the proposed PPL scheme.

This reasoning underpinned the Commission's recommendation that families receiving PLP should not receive the BB, other than for second and subsequent children in multiple births. As stated earlier in this chapter, it also recommended that Family Tax Benefit Part B also would not be payable during the PPL period. The impact of these recommendations on the net cost of the PPL scheme was considerable. The Commission estimated that in 2009 the gross cost of PLP would be \$1,218 million plus \$60 million for paternity leave. However, the BB savings were estimated as \$582 million and other tax and welfare savings (including Family Tax Benefit Part B) as \$389 million, resulting in a net cost of \$307 million. The Commission pointed out that this was a modest increase (about 1.2 per cent) in outlays by government on family assistance measures (Productivity Commission 2009: 2.54-2.55 and B.1-B.9).

2.3.5.3 Risks

The Productivity Commission's recommendations for funding and costing the cash component of the PPL scheme were fully accepted. This overall approach was designed to simplify management of the scheme (the public funding element), and improve the efficiency and effectiveness of public expenditure on support for parents of newborn babies (the element linking PPL and BB and Family Tax Benefit Part B as *alternative* support packages). This design relied heavily on the capacity of public institutions including FaHCSIA and Centrelink to make arrangements for the introduction of the scheme and (in partnership with employers) to deliver PLP. By introducing an element of choice for parents between PLP and BB, it introduced the risk that a lower-than-expected take-up of PLP could compromise the overall effectiveness of the scheme. The design of the scheme (a statutory scheme alongside employer provided schemes) also introduced the possibility of the statutory PPL scheme 'crowding out' existing or planned employer provided paid parental leave schemes.

2.3.6 Delivery

The arrangements for delivery of the PPL scheme presented a number of challenges, including some discussed earlier in the chapter. Delivery of the scheme involves three main processes:

- Information dissemination;
- Processing claims and determining eligibility; and
- Making payments.

2.3.6.1 Information dissemination

All new government programs require information to be provided to prospective customers and other groups impacted by the initiative. In the case of the PPL scheme the two main target groups for information programs are families planning or expecting the birth of a child and new parents, and employers of women of child bearing age.

With respect to families, there are three main characteristics of the PPL scheme that heightened the need for an effective communication campaign to raise awareness and ongoing provision of effective information. Firstly, the scheme was novel in the Australian context, and involved significant complexities regarding eligibility criteria, the nature of benefits and interaction with employer provided paid parental leave schemes and other family payments. Secondly, the scheme required parents to make a calculated choice between PLP and the BB. The scheme is designed to make PLP a more attractive option for most families. However, families required information to make an informed choice that would help them maximise their benefits. One risk of not providing accurate information is that this could result in lower than expected take-up of PLP and compromise achievement of the scheme's objectives. Thirdly, the PPL scheme is particularly targeted towards women without access to employer provided paid parental leave. Groups with low rates of such access included lower-paid women; women in part-time and casual employment; women in sales, community services and low skilled work; and women under the age of 25. Reaching these groups would require targeted information strategies taking into account educational levels, English-language proficiency and cultural issues.

The Productivity Commission recommended that information on the workings of a statutory paid parental leave scheme be provided to families, but provided no detail on the process (Productivity Commission 2009: xlv). This was a major task for the implementation and delivery process that commenced in 2010-11.

The second group requiring information about the proposed PPL scheme is employers, both because of the general impact of the scheme on employment arrangements and conditions and because of the role given to employers in providing PLP to eligible employees. With respect to information, the Commission recommended provision of:

evidence-based advice to employers on how to reduce the disruption burdens associated with increased average durations away from work by carers, with this information especially directed at small business.
(Productivity Commission 2009: 2.52)

It proposed that this should be accompanied by a web-based calculator setting out any employer obligations and showing which employees would be eligible for what benefits.

2.3.6.2 Processing claims

The core service delivery processes for a scheme such as PPL are those of receiving claims; assessing the eligibility of claimants; making payments; and addressing monitoring, compliance, review and appeal requirements. The Productivity Commission considered the relative advantages of using the Australian Taxation Office and Centrelink as the agencies to deliver the PPL scheme. It decided that

Centrelink 'operates in a manner that appears suited to delivering the Commission's proposed scheme in a way that best manages potential compliance risks' (Productivity Commission 2009: 8.32-34). However, the PC simultaneously recommended that employers be the providers of PLP.

2.3.6.3 Making payments

In accord with its overarching goal of linking PPL to work, the Productivity Commission recommended that, provided an employee had been with an employer for at least one year, the employer provide PLP to their eligible employees. This delivery option was seen to have three benefits. It would:

- Signal the payment as a normal work-related entitlement;
- Encourage greater employee loyalty; and
- Improve workforce and workplace attachment (Productivity Commission 2009: 8.29).

The proposal to directly involve employers in the payment process was raised as a major concern during the Productivity Commission's consultation processes. In response, the Commission proposed a number of mechanisms designed to ease the administrative load of this requirement on employers. Importantly, it suggested a system of prepayment by Centrelink to employers of statutory parental and paternity leave instalments, enabling employers to then pay parents as part of their normal pay cycle. It also made clear that employers would not incur additional obligations associated with their role such as payroll tax or work cover payments. The Commission recommended extension of the usual notice period to be given by employees wishing to extend their parental leave beyond the indicated date.

Overall, the Commission argued that the impacts on individual businesses of the PPL scheme, including their role in providing payments, would be modest. The Commission argued further that there would be a range of benefits accruing to all businesses from a statutory PPL scheme. These included employee retention, reduced wage pressures as a result of increased workforce participation of women, and raised productivity as a result of improved maternal wellbeing and opportunities to make preferred work/life choices (Productivity Commission 2009: 7.14-7.16).

The importance of the role of employers in the PPL scheme was strongly emphasised by the Minister in her Second Reading Speech introducing the Bill into the House of Representatives. She emphasised that only a small proportion of small businesses would be involved in the scheme in any one year; that arrangements were consistent with current employer practices; that Centrelink would deal with all issues of determining eligibility; and that prepayment would be made to employers to avoid cash flow problems. She also reiterated the decision that the government had made earlier in the year to allow businesses additional time to prepare for their involvement in the PPL scheme. Mandatory employer payment of PLP to eligible long-term employees would apply from 1 July, 2011. During the first six months of the scheme (from 1 January 2011 to 30 June 2011), employers could choose to make payments, otherwise payments were made through Centrelink.

During the debate on the Bill, the Opposition moved amendments to remove the employer role from the scheme. These amendments were passed by the Senate but not by the House of Representatives. When the Bill was returned to the Senate, the Opposition did not oppose its passage.

The issue of the employers' role in the scheme continued to attract criticism in the months leading up to its commencement. In November 2010, the Opposition

introduced a Bill into the House of Representatives proposing that the payment function be removed from employers and undertaken by government. Referring to the employers' proposed role as a 'pay clerk' function, the Opposition detailed their understanding of the burden that would be incurred by employers:

These unnecessary and avoidable costs and risks include the need for the employer to become familiarised with their obligations and responsibilities under the Government's scheme; necessary changes to payroll and accounting systems; staff training; the receipt, handling, processing and timely payment of instalment amounts; compliance, verification and reporting requirements; and the opportunity costs of this displaced effort and resources. (The Parliament of the Commonwealth of Australia, House of Representatives, PPL (Reduction of Compliance Burden for Employers) Amendment Bill 2010, Explanatory Memorandum, 15 November, 2010, Bruce Billson MP).

The Bill was not passed but its introduction signalled that employers' role in making PPL payments would be a matter of continuing public interest.

2.3.6.4 Risks

The delivery arrangements, proposed by the Productivity Commission and included in the PPL scheme, carried both the usual risks associated with the introduction of a new nation-wide program and a number of additional risks associated with the specific design of the scheme. This was the case both for information dissemination and for the processing of claims and making of payments.

With respect to information provision, clearly all families in the country contemplating parenthood or expecting the birth of a child needed to be made aware of the scheme and directed to more detailed information. However, this need for accurate and timely information was enhanced by the complexities of the scheme's interaction with existing employer provided parental leave arrangements; the need for parents to make a calculated choice between the benefits available under the PPL scheme and the BB; and the importance of effective information dissemination to lower paid women, women in part-time and casual work, women in certain industries and young women. Failure to provide adequate information to these groups risked low take-up amongst these groups which would compromise the achievement of the scheme's objectives.

With respect to the processing of claims and making of payments, the scheme presented the usual challenges associated with schemes involving payments to individuals or families meeting certain eligibility criteria. The Department of Human Services (Centrelink), was familiar with the tasks of setting up and operating processes for assessing eligibility of claimants, making payments and addressing associated requirements for monitoring, compliance, review and appeal.⁹ These aspects of the delivery of the PPL scheme did not present novel or unusual challenges. However, the decision to require employers to have a role in providing payments for the PPL scheme did present risks beyond the ordinary. While employers were familiar with the processes involved in managing a wide range of leave benefits for employees, the PPL scheme introduced the situation of employers managing a payment sourced from government. This posed the risk of employers being unwilling

⁹ The Department of Human Services is responsible for the development of service delivery policy and provides access to social, health and other payments and services. The *Human Services Legislation Amendment Act 2011* integrated the services of Medicare Australia, Centrelink and CRS Australia on 1 July 2011 into the Department of Human Services.

or incapable of effectively managing the making of payments and of the scheme imposing unmanageable costs on businesses, especially small businesses. A number of risk minimisation strategies were adopted including detailed information provision to business; prepayment of benefits to employers; extension of employee notice periods; delay of the mandatory start date for the employer role by six months; deferral of superannuation payments associated with the PPL scheme; and emphasis on the benefits of the PPL scheme for employers.

2.4 Conclusion

The *Paid Parental Leave Act 2010* introduced an ambitious and complex PPL scheme. The scheme is ambitious in that it aims to achieve significant social change with respect to maternal and child health, women's workforce participation, gender equity and work-life balance through modest net expenditure of public funds. It is complex in its interactions with existing tax, welfare and employment provisions, which are designed to create new incentives for parents (especially mothers) both to spend longer at home caring for a newborn child and to develop greater attachment to a workplace and the workforce. The PPL scheme is also designed, both through its direct provisions and through its symbolic elements, to reinforce positive community attitudes towards mothers taking a period of time away from the workforce to care for a newborn child and subsequently returning, and of fathers taking a more engaged role in the care of young children.¹⁰

The Productivity Commission, as the main designers of the PPL scheme, recognised that the ambitious scope of the PPL scheme and its complex implementation strategy elevated the importance of close monitoring and evaluation:

A statutory paid parental leave scheme represents a major and complex policy initiative. It has significant interactions with the tax, welfare and industrial relations systems. Its actual impacts will depend on the behaviour of employees and employers and on any unintended impacts. Accordingly, any scheme should be subject to staged assessment and formal evaluation. (Productivity Commission 2009: 2.57)

The aims of this chapter have been to identify the main design features of the PPL scheme, the rationale for these design features; and the risks associated with the design and its implementation. Risks fall into two broad categories:

- Those stemming from the assumptions underlying the design of the scheme, i.e. even if implemented perfectly, will the scheme produce its expected outcomes? These risks stem from an acknowledgement that the evidence base on which the scheme was designed is imperfect, and associated risks may be either anticipated or unanticipated.
- Those stemming from the implementation process, i.e. difficulties associated with implementing the scheme as designed, which might result in implementation failure of various types. These difficulties may also be either anticipated or unanticipated.

The risks associated with each aspect of the design of the scheme have been identified in each section of this chapter. Based on the analysis presented in this chapter, the main questions requiring analysis in this report on the initial operation of

¹⁰ The latter to be achieved through the provision of paternity leave via the *Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012*.

the PPL scheme, and the later report on the intermediate and long term outcomes of the PPL scheme, are:

2.4.1 *Immediate objectives*

1. Will the PPL scheme result in improved financial support for primary carers of newborn and newly adopted children?
2. Will the PPL scheme result in a higher proportion of parents, especially mothers, taking at least six months (and desirably somewhat longer) off work after the birth of a child to care full-time for the child?
3. Will the introduction of the PPL scheme result in increased duration of breastfeeding of newborn children?
4. Will the introduction of the PPL scheme result in increased paternal involvement in the care of newborn and newly adopted children and increased support for the mother?¹¹
5. Will the introduction of the PPL scheme result in increased access to and take-up of PPL for parents, especially younger women, women who work part-time, who work in the private sector, and who work in low skilled, low pay casual jobs?

2.4.2 *Long-term objectives*

6. As a result of (2) and/or (3) and/or (4), will the PPL scheme achieve significant health benefits for mothers and newborn and newly adopted children?
7. Will the PPL scheme result in a higher proportion of parents, especially mothers, returning to the workplace and/or workforce after taking time off to care for their newborn or newly adopted child?
8. Will the PPL scheme result in a higher proportion of parents, especially mothers, maintaining their attachment to the workplace and/or workforce long term after taking time off to care for their newborn or newly adopted child?
9. Will the PPL scheme result in a higher proportion of women of child bearing age who are outside the labour force to become employed?
10. What will be the impact of the PPL scheme as designed on gender equity? For example:
 - a. Will it make it easier for women to combine child care and participation in paid work? or
 - b. Will it strengthen the gender-based division of labour by encouraging the mother to take extended leave to raise the child and organise the household while the father continues in the paid workforce?
11. Will the PPL scheme assist families to address work/life balance by giving parents more time at home with their new baby?
12. Will the PPL scheme reinforce norms within the community that it is desirable for parents to take time off work to care for children during the months after birth before resuming participation in the paid workforce?

¹¹ These outcomes may be limited until the introduction of Dad and Partner Pay.

2.4.3 Eligibility

13. Will the eligibility requirements with respect to 'the primary carer of the child' be sufficiently flexible to accommodate a diversity of child care situations, particularly care by fathers or partners?
14. Will the work test be sufficiently flexible to accommodate the needs of seasonal, contract, casual and self-employed workers?
15. Will the work test be sufficiently flexible to accommodate the circumstances of mothers having their second and subsequent children?
16. Will the provisions with respect to 'keeping in touch' days and (for the self-employed,) 'overseeing the business' facilitate return to employment once the period of PPL expires?
17. What will be the impact of the income test on the proportion of mothers making claims for the PPL scheme and what impact will this have on achievement of the objectives of the scheme?
18. Will the flexibilities introduced through the eligibility requirements for the PPL scheme result in:
 - a. Increased costs for businesses and/or taxpayers?
 - b. Confusion amongst parents about their entitlements?
 - c. Unintended outcomes such as fraudulent claims?
 - d. Increased requirements for complex accountability processes?
19. Will the deliberate differences in treatment of women and men with respect to the identification of primary carer result in allegations of unlawful sexual discrimination?

2.4.4 Benefits

20. Will 18 weeks of parental leave pay be sufficient incentive to ensure that a mother (or father/partner) remains in a caring role for the six to twelve months required to achieve the desired health and welfare outcomes?
21. In particular, will low income families (who are a priority as they tend to return to work earlier) find co-funding of this period of care affordable?
22. What will be the actual outcome in terms of length of time spent in a child caring role of allowing employees to take statutory paid parental leave at the same time as other privately negotiated leave?
23. Will the financial advantage for most families of choosing PLP over BB and other family support payments in fact translate into high take up of PLP?
24. Will families be able to understand the implications of their options (especially between PLP and BB) and make an informed choice?
25. Will the choice of PLP actually result in greater labour force (or workplace) attachment, e.g. a higher proportion of women returning to work after time spent in a child caring role compared to what was previously the case?
26. To what extent does the delayed introduction of the paternity component of the scheme (Dad and Partner Pay) impact on the objective of increasing fathers' involvement in child care?

27. Will the structure of benefits provided achieve the twin goals of longer parental engagement in care of children and greater attachment to the labour force?

2.4.5 *Funding and cost*

28. Will public funding of the PPL scheme lead to the scheme being perceived as a welfare payment rather than an employee benefit?
29. Will the publicly-funded PPL scheme 'crowd out' existing employer provided schemes, i.e. will businesses withdraw or reduce the generosity of their existing or planned parental leave provisions?

2.4.6 *Delivery*

30. What type of communication campaign and ongoing information provision is required to ensure take-up of the PPL scheme by parents, particularly those with low rates of access to employer provided paid parental leave?
31. What type of communication campaign and ongoing information provision is required to develop support amongst employers and enable them to perform their role in the scheme?
32. What processes are required for assessing eligibility of claims, making payments, and addressing monitoring, compliance, review and appeal requirements?
33. Will requiring employers to provide PLP have the desired effects of signalling the payment as a normal work entitlement, encouraging greater employee loyalty, and improving workforce and workplace attachment? Will there be any unintended consequences?
34. Will requiring employers to provide PLP impose unmanageable costs on businesses, especially small businesses?

3 THE IMPLEMENTATION AND DELIVERY OF THE PAID PARENTAL LEAVE SCHEME

Andrew Jones, Kristen Davis and Mara Yerkes

3.1 Introduction

The Australian Government's announcement in the May 2009 Budget that it proposed to introduce a PPL scheme, closely based on the Productivity Commission's Inquiry Report, marked the commencement of the implementation and delivery phase of the PPL scheme. This phase is analysed in detail in this chapter. In broad terms this process involved the following elements:

- Managing the overall implementation process;
- Undertaking further consultation;
- Developing the legislation;
- Providing information to families and employers;
- Developing detailed administrative processes and IT systems to enable claims to be lodged and assessed, payments to be made, and reviews and appeals to be administered;
- Processing claims and determining eligibility;
- Making payments via employers and Centrelink; and
- Monitoring performance.

These processes also involved managing the risks involved in effectively implementing the PPL scheme as identified in chapter 2. This present chapter focuses on the activities of the government agencies involved in the implementation of PPL. The experiences of families and employers in response to these activities are detailed in chapters 4 and 5.

One way of conceptualising the processes involved in the delivery of the PPL scheme is the program logic diagram shown below. A program logic model is a way of visually depicting the theory of change underlying a program, project or policy (Frechtling 2007: 21). This program logic model, developed by the PPL Branch in FaHCSIA to guide the evaluation of PPL, distinguishes:

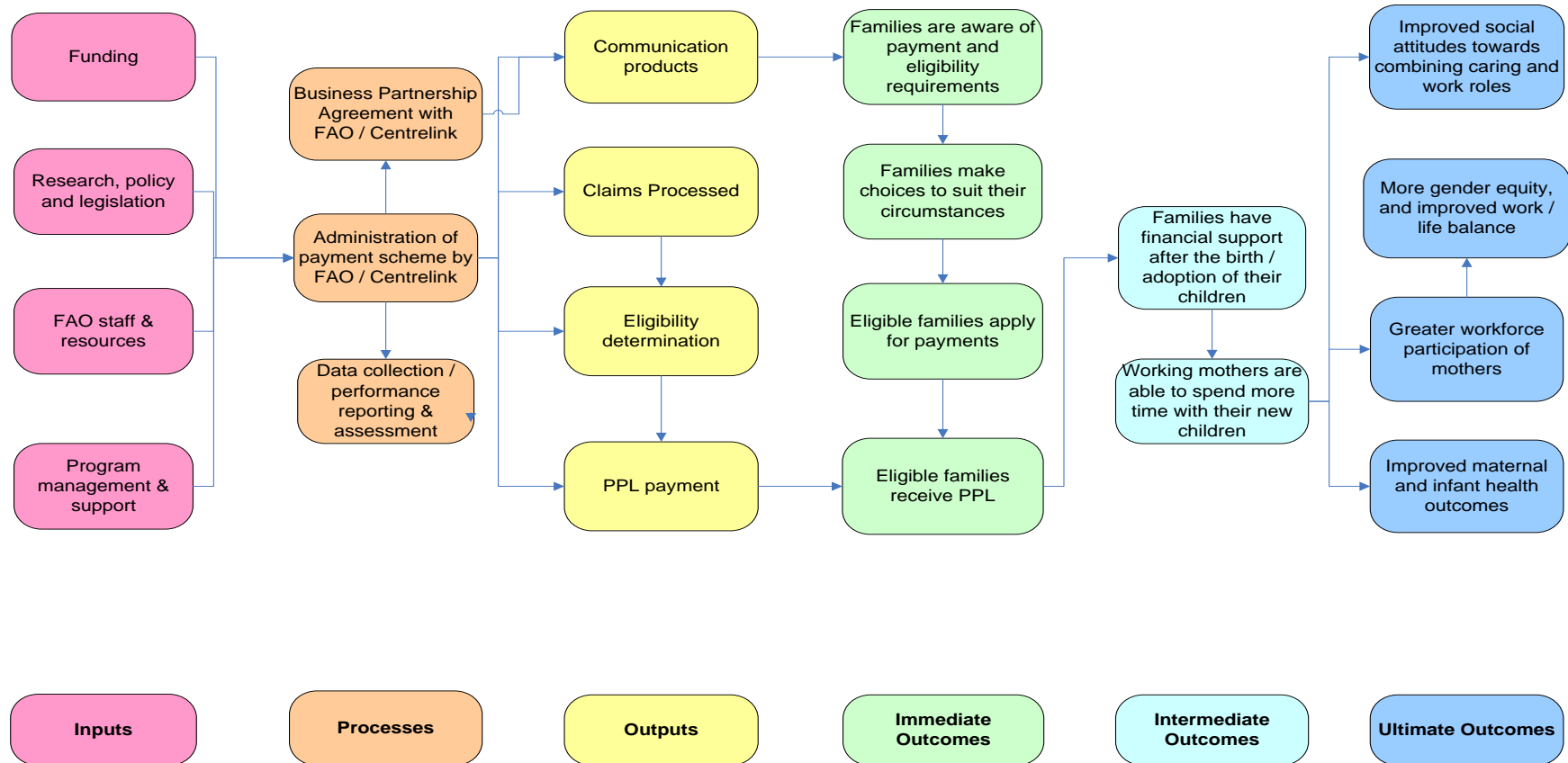
1. *Inputs*: the resources that were brought to the project.
2. *Processes (often called 'activities')*: the actions that are undertaken to bring about desired goals.
3. *Outputs*: the immediate results of the processes/activities such as services, events and products.
4. *Outcomes*: the changes occurring showing movement towards achieving immediate, intermediate and ultimate goals and objectives (definitions are from Frechtling 2007).

The implementation activities discussed in this chapter encompass many of the inputs, processes and outputs depicted in the program logic diagram. The immediate and intermediate outcomes for families and for employers are addressed in chapters 4 and 5. Further evaluation of the intermediate, and, where possible, the ultimate outcomes of the PPL scheme will be the focus of the Phase 3 report.

Paid Parental Leave

Program Logic

FaHCSIA Outcome, Program 1.3; To make payments to working parents to enhance maternal and child health and development, facilitate workplace participation and promote gender equality and work / family balance.



Source: FaHCSIA 2010

3.2 Managing the implementation process

The Budget announcement on 12 May 2009 signaled the Government's intention to introduce a PPL scheme to commence on 1 January 2011. This allowed a period of approximately eighteen months to set in place the arrangements for delivery of the PPL scheme.

3.2.1 Key groups involved in managing PPL

Two key groups were involved in managing the implementation of PPL. The first, the Paid Parental Leave Branch in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), was established in July 2009 to oversee the task of preparing for and managing the implementation of the scheme. FaHCSIA had already had significant involvement in the development of the scheme, including advising the Productivity Commission on the interaction of a PPL scheme with the existing system of family payments. A FaHCSIA submission to the Productivity Commission Inquiry in June 2008 provided details of existing FaHCSIA payments to families, including the BB, and of FaHCSIA research findings relevant to the objectives of a PPL scheme (FaHCSIA 2008).

At the same time as the establishment of the PPL Branch within FaHCSIA, a PPL Interdepartmental Committee (IDC) was set up to provide oversight and guidance of the PPL scheme. The PPL IDC played a central role in the implementation of the scheme. It met regularly from July 2009 through to 2011 and had five specific roles:

- To manage the overall implementation of the scheme through ensuring effective governance, project planning and risk management;
- To ensure effective consultations with external stakeholders;
- To resolve policy, legal, administrative and service delivery issues;
- To provide oversight of the development and implementation of the communications campaign; and
- To provide oversight of the development and implementation of the evaluation strategy to inform the review of the scheme.

The IDC's membership was selected to ensure that the development and implementation of the PPL scheme were informed by a wide range of perspectives from across government including service delivery agencies, central agencies and agencies with experience of working with employers. Altogether, twelve agencies were represented on the IDC:

- The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) (Chair).
- The Department of Education, Employment and Workplace Relations (DEEWR) (Deputy Chair).
- The Department of the Prime Minister and Cabinet (PM&C).
- The Treasury.
- The Department of Finance and Deregulation (DoFD).
- The Attorney-General's Department (AGD).
- The Department of Human Services (DHS) including Centrelink and Medicare Australia.
- The Department of Veterans' Affairs (DVA).
- The Australian Tax Office (ATO).
- The Department of Innovation, Industry, Science and Resources (DIISR).
- The Australian Public Service Commission.
- The Fair Work Ombudsman (FWO).

The IDC established four working groups which took responsibility for key areas of the implementation process and reported to the IDC. These were:

- The Policy and Legislation Working Group;
- The Family Assistance Office (FAO) Implementation Working Group;
- The Employer Role Working Group; and
- The Communications and Media Working Group.

These working groups corresponded with the major tasks facing the IDC: translating the government's broad policy intentions into a set of legislative provisions; developing detailed processes for receiving and assessing claims and making payments; establishing processes relating to the role of employers in making payments; and developing a communications campaign. The FAO Implementation Working Group was chaired by Centrelink and the Communications and Media Working Group was chaired by the FaHCSIA Communications and Media Branch, thus ensuring that these key stakeholders played a lead role in their areas of responsibility.

Central to the work of the IDC was a comprehensive project management plan which was updated prior to each IDC meeting. Detailed working group plans were developed from the overall implementation management plan, and working groups reported against their work plans at each IDC meeting.

3.2.1 Key tasks in implementing PPL

At the commencement of the implementation process, it was decided that the development of the PPL scheme would be subject to the Gateway Review Process. This process is designed to strengthen the oversight and governance of major projects and assist agencies in delivering projects in accordance with stated objectives. The Gateway Review Process entails short, systematic reviews lasting several days undertaken by external reviewers at critical points in project development. Reviews of the development of the PPL scheme were undertaken in July and September 2009, March and September 2010, and September 2012.

An important implementation task was the development and delivery of the communications campaign. Developmental research for the campaign was undertaken in late-2009 and early-2010. As well as informing the communications campaign, this research provided valuable information about employer and employee issues that were somewhat outside the usual scope of FaHCSIA and Centrelink's areas of expertise. The communications campaign was implemented during the period October 2010-June 2011, and involved close collaboration between the PPL Branch and the Communications and Media Branch of FaHCSIA. In order to ensure consistency of message, there was also a need for close coordination with Centrelink communications. The communications campaign and provision of information to families and employers is discussed at length in section 3.5.

The development of processes for accepting claims, determining eligibility and making payments was a major priority during 2010. The Productivity Commission had recommended that these tasks (with the exception of making payments to long-term employees) be managed through the Department of Human Services, (Centrelink) while the oversight of the development of detailed processes and systems was the responsibility of the FAO Implementation Working Group. The development of service delivery processes and systems functionality is discussed at length in section 3.6.

The final set of implementation tasks concerned performance management. In addition to making arrangements for a formal evaluation of the PPL scheme, as recommended by the Productivity Commission, this involved making arrangements for

the systematic collection of service data and establishing measurable Key Performance Indicators (KPIs) for the PPL scheme. This also involved reviewing expenditure on the PPL scheme and forecasting future expenditure as part of the annual Budget process.

3.2.2 Implementing DaPP in relation to PPL

The processes for managing the implementation of Dad and Partner Pay (DaPP) mirrored those described above for the PPL scheme, although on a smaller scale. In May 2011 it was announced as part of the Budget that the introduction of the Paid Paternity Leave scheme would be delayed until 1 January 2013. Policy development for this scheme commenced in May 2011 and public consultations were undertaken from September to October 2011. The *Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012* was introduced into Parliament in March 2012 and passed into law in July 2012. A communications campaign around Dad and Partner Pay will be undertaken from October 2012 and amendments made to the PPL Rules to take DaPP into account. The first DaPP claims may be lodged from 1 October 2012 and payments will be made for births and adoptions on or after 1 January 2013.

3.3 Undertaking further consultation

While detailed policy was being developed for the PPL scheme, the Government continued to undertake further consultation with a range of key stakeholders to gauge reactions as well as to develop further the details of the legislation. Key stakeholders included:

- Major employee and employer peak bodies;
- Representatives of small business;
- Family and community stakeholder groups; and
- Tax professionals, payroll specialists and payroll software developers.

(Australian Government, May 2010).

Major stakeholder consultations took place from mid 2009 to mid to late 2010.

Consultations were also held with state and territory governments.

Feedback was sought on particular aspects of the PPL scheme, such as eligibility criteria and the application of the work test, transferring PLP to a partner, the employer role and the possible interaction of PPL with existing paid and unpaid leave arrangements, and administrative requirements and processes involved in the PPL scheme.

Consultation with employers was particularly important in developing the employer role in the scheme given the new role for employers in providing PLP to their eligible long-term employees. The outcomes of the consultation process included:

- The delay of the payment of PLP through employers until 1 July 2011, allowing for employers to get their financial year payroll processes and systems prepared and for a more gradual phasing in of the employer role.
- Giving employers more flexibility in how they received the PPL funds from the government, by enabling employers the option to choose three equal PPL funding amounts rather than fortnightly funding amounts.

- Not requiring employers to provide PLP to any employee who is eligible to receive less than eight weeks of pay.
- Mothers not being required to remain with their employer to access PLP. If the eligibility requirements have been met, mothers do not have to remain with their employer to receive the payment. An eligible mother who leaves her employment before the end of her PPL period receives her PLP from Centrelink. This change to the proposed policy was seen as necessary to avoid promoting 'artificial' time-limited attachment to an employer.
- The development of a simple set of employer obligations that avoid requirements such as reporting and special bank accounts.

(Australian Government, May 2010).

The outcomes of the consultation process were seen to promote the underlying purpose of the PPL scheme while minimising the impact on employers.

3.4 Developing the legislation

A key aspect of implementing the PPL scheme entailed finalising the policy detail and developing the legislation, which took place in the latter half of 2009 and the first part of 2010. This task was managed by FaHCSIA through the Policy and Legislation Working Group and consisted of two phases. In the first phase, during 2009, the main focus was the development of detailed policy, building on the Productivity Commission's recommendations, including the development of drafting instructions. In the second phase, during 2010, the focus was on drafting the PPL legislation and obtaining relevant Ministers' approval of the final policy and legislation.

The development of detailed policy and the creation of drafting instructions were the responsibility of FaHCSIA staff. While the policy design was largely based on the recommendations of the Productivity Commission, FaHCSIA was tasked with developing more detailed policy elements. Drafting instructions were then prepared and submitted to the Office of Parliamentary Counsel, who drafted the legislation in close consultation with FaHCSIA and DEEWR. Issues arising during the drafting instruction stage were numerous, but five issues were central to this stage: eligibility questions; the employer role; the administration of PPL; compliance; and reviews and appeals.

Extensive consultations between government departments were necessary in developing the PPL legislation.

Broadly, the PPL Act covers eligibility, claims, payments, the employer role, compliance, debt recovery, reviews and appeals, and a range of miscellaneous matters.

3.4.1 *The passage of legislation*

The Bill, together with the Explanatory Memorandum, was tabled in the House of Representatives on 12 May 2010. The Bill was passed by Parliament on 17 June 2011. Four government amendments were made in response to the consideration of the Bill by the Senate Community Affairs Legislation Committee. These amendments:

- Inserted a new 'Object of this Act' clause to clarify the object of the new *Paid Parental Leave Act 2010*;

- Clarified that an obligation of an employer to provide PLP to a person under the new *Paid Parental Leave Act 2010* is in addition to any other obligations that employer has in relation to the person, however they arise;
- Allowed a birth mother to be eligible for PLP where the Secretary is satisfied that she would have met the work test but for the premature birth of her child, or pregnancy-related complications or illness; and
- Provided for a review of the general operation of the new *Paid Parental Leave Act 2010*, starting by 31 January 2013 (Australian Government 2010).

3.4.2 *PPL Guide*

Another task undertaken in 2010 was the development of the Paid Parental Leave Guide, the detailed guide to the administration of the legislation. The Guide was released in September 2010 in time for the first PPL claims.

The Guide is used by Centrelink staff who administer the PPL scheme. It is also a public document available on the FaHCSIA website.

3.4.3 *PPL Rules*

The PPL Act includes an extensive set of legislative arrangements that generally covers eligibility and claim arrangements for claimants who are parents, and other matters detailed under section 3.4 above. To avoid further complication of the legislation, the PPL Act includes a provision for Rules to be made by legislative instrument to cover matters specifically required or permitted by the Act, and other matters that may from time to time be necessary to give effect to the Act.

The PPL Rules include legislation to cover the exceptional circumstances in which a claim may be made in exceptional circumstances, and eligibility criteria for claimants in exceptional circumstances. They extend the operation of the PPL Act to persons who are not employees and employers (e.g. law enforcement personnel and Defence Force members), provide more detailed definitions of some concepts such as paid work and paid leave, and cover other administrative matters including information provision.

The PPL Rules were drafted by the Office of Legislative Drafting and Publications (OLDP). The Paid Parental Leave Rules 2010 were registered on 24 December 2010 and came into effect on 25 December 2010. The Rules were amended in June 2011 by the Paid Parental Leave Amendment Rules 2011 (No. 1), in October 2012 by the Paid Parental Leave Amendment Rules 2012 (No. 1) and in December 2012 by the Paid Parental Leave Amendment Rules 2012 (No. 2).

3.4.4 *Issues arising following implementation*

Following passage of the legislation in 2010, a number of issues arose. Some issues were related to initial implementation of the scheme. For example, some individuals who had applied for and would have been eligible for PLP if their baby had been born after 1 January 2011 as expected were no longer eligible to receive PLP because their child was born early, prior to the 1 January 2011 implementation date.

Another issue arose around the work test and the definition of continuous employment. Under the work test, a permissible break in continuous employment is considered to be no more than 56 consecutive days (eight weeks). In some industries, such as education, this definition is problematic because employees are given at least an eight week break that is often extended by a few days. This issue is limited to certain industries and can vary across States and Territories.

Alongside these minor issues, more substantive issues emerged prior to implementation or have arisen following implementation. For example, there is an ongoing dialogue about the KIT days. As noted previously, KIT provisions in the PPL scheme allow employees the option of using up to 10 paid days to 'keep-in-touch' with the workplace without losing their entitlement to PLP. However, the inclusion of KIT days in the legislation raised important questions for employers, such as what constituted a KIT day, the interaction with collective agreements or company policy but also questions such as what to pay someone on a KIT day and whether employees accrue leave on those days. In addition, as noted above, KIT days presented a unique problem regarding interaction with the National Employment Standards. The Government has since amended the *Fair Work Act* to ensure that using KIT days does not breach employees' entitlements to unpaid parental leave under the NES. These amendments were passed in June 2012 as part of the *Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012*.

3.5 Information provision

As noted above, the development and delivery of the communications campaign was an important implementation task. A PPL Communications and Media Working Group was established to provide direction and coordination in the development of the PPL communication activities including a campaign to ensure that parents, employers and the community were well informed about how the Australian Government's PPL scheme would operate (Terms of Reference, Oct 2009). The members of this group included representatives from FaHCSIA, DEEWR, Centrelink, Australian Taxation Office, Fair Work Ombudsman and the Department of Innovation, Industry, Science and Research (DIISR) (Terms of Reference, Oct 2009).

The communications activities, primarily mass media communications and public relations, were undertaken over four phases to reflect key milestones for the implementation of the scheme:

- Phase 1 – pre-legislation to raise awareness about the scheme to enable parents and potential parents to consider what they need to do to meet the work test.
- Phase 2 – planned advertisement in the lead up to when claims could start to be processed (1 October 2010) was suspended due to the pre-election caretaker period. Some limited distribution of information materials received bipartisan support.
- Phase 3 – October 2010-March 2011 – at the start of claims processing (1-October 2010) following through to and beyond the implementation date (1-January 2011)
- Phase 4 – April-June 2011 – in the lead up to employers becoming responsible for providing PLP to their long term employees (from 1 July 2011). (Department of Families Housing Community Services and Indigenous Affairs, 2010b: 3).

This campaign was supported by the creation of information brochures, both hard copy and electronic, and posters (Department of Families Housing Community Services and Indigenous Affairs, 2010b: 3). From phase three of the campaign, extensive range of communications channels were used to inform target audiences of their rights, responsibilities and obligations in relation to the PPL scheme. These included a communication campaign, which included the use of both traditional and

social media; public relations activities; media and news reports; and the use of networking.

The objectives of the communication campaign were to:

- Increase knowledge of the implementation of the PPL scheme;
- Increase knowledge and understanding of the PPL scheme as a statutory entitlement for eligible working parents;
- Increase knowledge and understanding of the roles, rights and responsibilities of parents and employers under the PPL scheme, including eligibility criteria;
- Encourage target audiences to seek further information about the scheme and how it may relate to them;
- Provide parents with access to information about the scheme to enable them to make informed decisions; and
- Provide employers with access to information about the scheme to enable them to prepare for the implementation of the scheme.

(Department of Families Housing Community Services and Indigenous Affairs, 2010b: 17).

The FaHCSIA PPL communication campaign began on 17 October 2010 to inform parents and employers about the PPL scheme. Campaign activities were timed to support the key milestones for the implementation of the PPL scheme from Phase 1 through to Phase 4. The campaign used a range of different media including advertisements on national television; newspaper; magazines (targeting parents and employers); radio (metropolitan and regional); on-line (including digital display and search); and outdoor (parent rooms in shopping centres; shopping centres, pharmacy, GP – waiting room Info-Med; GP Dr/Nurse pack Info-Med). Info-Med is a 'direct to patient' communication medium, which reaches doctors and patients in general Practices (GPs) across Australia (Department of Families Housing Community Services and Indigenous Affairs, 2010b: 26). In the PPL campaign a range of different media were used to communicate awareness about the scheme including various forms of social media. The various media employed included the use of government websites, videos, web-casts, and the use of social networking sites.

The Department of Human Services (DHS) has developed, and regularly uses, a range of social media methods to communicate and share information on the PPL scheme. DHS regularly updates official accounts on the social networking websites – YouTube, Facebook and Twitter as an additional way of sharing information with customers about government support, services and payments. For example, Facebook was utilized to promote key messages of the scheme.

3.5.1 Information provision to families

DHS developed, and continues to maintain, comprehensive website information for parents about the scheme including eligibility, claims arrangements and payments. DHS also developed and maintains the PPL Comparison Estimator, to help parents decide if PLP or the BB is the right financial decision for their family.

A large number of publications were also produced on the PPL scheme for parents/potential parents. The most critical of these publications was the PPL scheme brochure produced by Centrelink. The 16 page brochure outlines key information on the scheme including eligibility criteria, defining who is considered to be a child's primary carer, the PPL work test, steps to take before and after the child arrives, using

the PPL comparison estimator, discussions with employers, lodgement of claims, payment provisions, KIT days, how the PPL scheme interacts with existing leave entitlements, as well as a list of commonly-asked questions and answers at the back of the brochure (Centrelink, Paid Parental Leave Scheme Brochure).

A video was also produced, which talks parents through the process of claiming PLP. A web-cast was also marketed to parents/potential parents, which covered PPL scheme topics such as the benefits of the scheme, eligibility, claiming and workplace entitlements. Guest panel members, Catriona Rowntree, television presenter and mum for the second time, and Judy Radich, Early Childhood Australia, provided their own opinions and experiences. This interactive webcast was broadcast live from the Centrelink website, providing viewers with the opportunity to send through any questions about PPL to be answered by members of the panel or the online moderators. Another key source of information for parents was the Family Assistance Line (13 61 50).

A range of other media, besides traditional advertising, was used to convey information about the PPL scheme to parents/potential parents. The communications team outlined a range of different means of information provision that were used including networking; media coverage; Ministerial publicity and other public relations activities. Public relations activities were viewed as an efficient means of providing information on the PPL scheme as they were able to effectively deliver detailed and complex messages to selected audiences as well as being relatively quick to mobilize (Department of Families Housing Community Services and Indigenous Affairs, 2010b: 28).

3.5.2 Information provision to employers

DHS developed, and continues to maintain, comprehensive website information for employers about the PPL scheme.

A large number of publications were also produced on the PPL scheme for employers as well. A key publication in this regard is the PPL scheme *Employer Toolkit*, which is a comprehensive guide for employers providing PLP to their employees. It provides a brief overview of the scheme, outlines employer obligations, how employers will receive PPL funds and their responsibility in providing PLP to their employees (Centrelink, 2011). In addition, a PPL scheme webcast for employers was broadcast from the Centrelink website on 13 May 2011. The webcast covered PPL scheme topics from an employers' perspective. Guest panel members, Jason Low, General Manager, The Association for Payroll Specialists and Catherine Flynn, Retention and Engagement Manager, Woolworths, provided their own opinions and experiences. The webcast provided employers the opportunity to raise any concerns or seek clarification about the scheme.

Another key source of information for employers was the Centrelink Business Hotline (13 11 58) (now known as the National Business Gateway). The Hotline handled a large number of telephone inquiries on a wide range of issues, and frequently talked employers through the PPL scheme registration process. Prior to 1 July 2011, most calls to the Hotline were in relation to employers wanting more information about the PPL scheme. From late May 2011 onwards, a large influx of calls were received in relation to registration efforts and employer attempts to resolve registration issues. Since 1 July 2011, calls have shifted to queries about the letters that employers receive in relation to employer determinations made for their employees', assistance in linking their AUSkey, finalising the registration process, maintaining business and user details online, how to provide payments to employees and providing or updating their pay cycle and bank account details to Centrelink.

In the initial stages of disseminating information on the PPL scheme for employers, Business Hotline staff were faced with a significant amount of confusion from employers who did not readily understand what their role in the process would be. Many employers mistakenly believed that they would have to make PLP payments to their employees and then be reimbursed by Centrelink. In reality, employers receive PPL funds in three six-weekly or nine fortnightly instalments prior to them providing PLP to their employee. In addition, many of the employers who called during this period were unaware of the availability of information on government websites. This situation shifted during 2011 as employers/businesses became more aware of information and resources available and would often consult these resources prior to phoning the Hotline. As a result, the questions received by the Hotline became more complex, for example, dealing with specific payment queries or issues such as superannuation.

3.5.3 *Outreach to special audiences*

One of the elements of the PPL scheme communication campaign was to consider the communication needs of people with a disability, people from Culturally and Linguistically Diverse backgrounds (CALD), Aboriginal and Torres Strait Islander Australians, and those living in remote, rural and regional areas (Department of Families Housing Community Services and Indigenous Affairs 2010b: 18). Developmental research identified that the communication needs of CALD and Aboriginal and Torres Strait Islander Australian parents and employers could be met through the use of mainstream channels and also additional targeted channels (Open Mind Research Group, 2009). The additional, targeted channels discussed in the research include:

- Face-to-face communication with Centrelink;
- CALD and Aboriginal and Torres Strait Islander press and radio; and
- Community workers, migrant resource centres, job network providers and Aboriginal and Torres Strait Islander organisations (for example, Aboriginal and Torres Strait Islander medical services and cooperatives).

(Cited in Department of Families Housing Community Services and Indigenous Affairs, 2010b:18).

As a result of these recommendations, several activities were undertaken. FaHCSIA engaged the services of a CALD consultant to ensure that all the campaign activities were appropriate for CALD audiences. The consultant undertook CALD specific public relations activities. Additionally, the consultant also focused on Aboriginal and Torres Strait Islander audiences and their specific needs (Department of Families Housing Community Services and Indigenous Affairs, 2010b: 30).

A number of activities were undertaken which catered to special audiences including tailored communication campaigns and outreach activities 'in the field'. Radio, press and television advertising specifically targeted potential clients from Aboriginal and Torres Strait Islander and Culturally and Linguistically Diverse Backgrounds (CALD). Written information products, such as culturally appropriate brochures, were produced for Aboriginal and Torres Strait Islander claimants and were translated into 17 different languages for claimants from a CALD background. Centrelink has a multi-lingual hotline (13 12 02) that has been promoted through the campaign so that CALD audiences can seek more information in their preferred language. Centrelink has an Aboriginal and Torres Strait Islander call centre (13 63 80) which was also promoted

through the campaign in all Aboriginal and Torres Strait Islander-specific information and activities.

3.5.4 Issues arising during the communications campaign

During interviews conducted during the Policy implementation (PI) study with employees from the two government departments most involved in the development of detailed business as usual information for parents and employers about the PPL scheme, FaHCSIA and Centrelink, it emerged that there had been some issues concerning the production of the communication products for PPL. In general terms, the agencies had different approaches to communication products and there was a need to find a balance between ensuring that the information delivered was accurate, and that it was accessible and easy to understand. Criticisms levelled at the former approach (emphasising detailed accuracy) were that key messages, and the delivery of those messages, were not nearly as effective as they could have been. Criticisms levelled at the latter approach (emphasising accessibility and intelligibility) were that the accuracy of the information was being compromised. As one interviewee stated, “[The challenge was] trying to ensure that it was user friendly enough for a customer to pick up but at the same time to ensure that they weren’t taking away from the policy intent”. The interviewee emphasised the importance of ‘finding a balance’ “of making sure the information is correct but making it digestible”. The tension between the respective approaches to the production of communications material resulted in a lengthy consultative phase, which has led to an ‘on-going refinement’ of the suite of information products produced. The establishment of a PPL Communications and Media Working Group, alongside regular meetings of its key stakeholders, have helped to address some of these issues and to assist in the production and refinement of communications products.

3.6 Service delivery

All relevant Centrelink areas, including the PPL Implementation team and teams responsible for IT, network, communications, call centres and data, participated on the FAO Implementation Working Group along with FaHCSIA policy and implementation staff, and FaHCSIA communications staff. In addition, the Centrelink and FaHCSIA implementation teams held regular meetings to work through micro policy and service delivery issues. A new Business Partnership Agreement between FaHCSIA and Centrelink, signed in mid-2010, included PPL in the formal assurance mechanism for the delivery of FaHCSIA payments and programs.

The first claims for PPL could be received from 1 October 2010. Functionality to enable parents to lodge either an online or paper pre-birth claim, and the systems to support claim lodgement and eligibility assessment needed to be in place, as did initial eligibility letters to parents. The PPL Comparison Estimator was operational from 1 October 2010, to enable claimants eligible for both PPL and Baby Bonus to make a payment choice.

As previously mentioned, the mandatory requirement that payment of PPL be made via employers to long-term employees was postponed until 1 July 2011. However, some employers elected to take on this role from the start of the scheme, and this meant that processes needed to be in place from 1 October 2010 to enable employers to register for the scheme, for employer determinations to be made, and for letters to employers to be generated.

Systems and administrative processes to support payments of PLP were implemented in time for first payments from 1 January 2011, as were post-birth claims, and systems

to make payments to parents and transfer funding amounts to employers, along with payment letters to parents and funding amount advices to employers.

In addition, systems and administrative arrangements were put in place to enable compliance, debt recovery and reviews and appeals activity for PPL.

3.7 Determining eligibility and processing claims

The PPL scheme presented challenges in relation to determining eligibility and processing claims. The complex nature of the PPL scheme, derived from its significant interactions with existing tax, welfare and employment provisions, means there have been some intricate issues to address regarding both eligibility criteria and the processing of claims. See chapter 2 for a discussion of the scheme itself.

3.7.1 *Determining eligibility*

Parents are eligible for PLP if they:

- Are the primary caregivers of a newborn or recently adopted child; and
- Are an Australian resident; and
- Have met the PPL work test before the birth or adoption occurs; and
- Have received an individual adjusted taxable income of \$150,000 or less in the financial year before the date of birth or adoption, or date of claim, whichever is earlier; and
- Are not working, from when they become the child's primary carer until the end of the PPL period.

Full-time, part-time, casual, seasonal, contract, and self-employed workers are eligible for the scheme (Department of Human Services 2012).

In the first year of the scheme's operation, some complexities in determining eligibility have arisen in cases involving secondary and tertiary claimant eligibility. The vast majority of applicants are mothers (see chapter 4). However, there are situations where the applicant is not the biological birth mother, for example, cases involving adoption, surrogacy or fathers taking PPL. Such cases can result in a lengthier claim process as processing staff may require more information than with standard claims.

3.7.2 *Processing claims*

Individuals can only be paid PLP once Centrelink has made a 'payability' determination, i.e., determining that PLP is indeed payable to that person. Individuals can lodge claims for PLP either pre-birth or post-birth. Pre-birth claims involve a two-stage determination process. The claim can be lodged up to three months prior to the expected date of birth or adoption and a claimant can be determined to be initially eligible. Following the birth or adoption, proof of birth or entry into care must then be provided at which point Centrelink will determine if the person is entitled to receive PLP. Individuals can also claim PLP post-birth by lodging a claim for payment and their proof of birth form at around the same time. The two stage eligibility and payability determination processes that occur at different times for pre-birth claims, usually occur at the same time for post-birth claims.

PLP claims can be submitted either electronically, or in paper form at a Centrelink office. Prior to 1 July 2012, paper claim forms could be lodged at Family Assistance Offices located in Centrelink and Medicare offices. According to MoPE data, the majority of PLP claims are made through on-line applications (85%; see chapter 4).

Customers who opt to submit a paper claim form do so for a variety of reasons, for example, their language background, inability to submit it on-line, not having the appropriate facilities at home or not having access to the internet. Customers who submit either an online or a paper claim are advised in the claim about any other information they need to provide, for example, residency requirements such as passport or citizenship papers, and proof of birth. The processing team follows up on any information required that is not provided at around the time of the claim. Payments will not commence until all the requested information, including proof of birth or entry into care, is provided.

The PI study shows that in the first months of operation, staff noted a number of issues in processing claims, primarily relating to confusion about proof of birth, the timing of payments and eligibility issues. Staff discerned that some confusion existed amongst claimants about pre-birth claims, which could be lodged up to three months before the expected date of birth or adoption. Some customers believed that by submitting a claim pre-birth they could request PLP payments prior to the birth. However, individuals cannot receive PLP until after a birth or adoption and only after proof of birth or entry into care has been provided and a 'payability' determination has been made.

The interviews with staff also revealed that claimants felt they were asked to provide information twice — during the pre-birth claim or post birth claim for payment and once again when providing proof of birth. Another area identified as creating confusion amongst potential PLP claimants was the need to decide whether to apply for BB or PPL. When staff were questioned about a potential claimant being eligible for both payments, they would direct them to the on-line estimator to assess which entitlement would be most beneficial for their particular circumstances.

A further issue with the initial processing of claims relates to the training provided to processing staff. Interviews with staff responsible for processing claims revealed that staff felt the processing of PLP claims took place on "an ongoing learning curve", partly owing to the short period of training before the entitlements began and in part concerning the actual training received. Although some staff felt only minimal training was provided, training was generally considered to be adequate. Training materials were also provided in the form of electronic reference material, which described the procedures that staff needed to follow, both in terms of system procedures and in terms of explaining how the policy is implemented. These training materials, as well as system support and the availability of advisory staff with substantive expertise, helped the processing staff address some of the complexities they faced in processing claims. Moreover, many staff involved in processing PLP claims have extensive experience in processing similar claims such as BB and FTB, making them familiar with the 'customer base'.

At least three factors impacted on the processing of PLP claims and the timeliness of claim processing during the initial year of operation. One factor was the use and popularity of the electronic claim form. The on-line claim form was considered by the implementation department to be more effective than the hard copy claim form as irrelevant sections of the form are avoided automatically, making the process more efficient. While the availability of an on-line claim form positively impacted the processing of PLP claims, two unrelated factors have caused various delays in claim processing.

Firstly, any necessary changes in on-line forms require a major systems release from Centrelink, which occurs every three months and have a long lead time and limited capacity for system changes. Time and money are needed to carry out these system updates, which can negatively impact the processing of PLP claims in the meantime. Secondly, an external factor which impacted on the timeliness of processing PLP claims was the series of natural disasters that occurred in Queensland in early 2011, specifically Cyclone Yasi and the Queensland floods. These natural disasters caused Centrelink to divert large sections of their processing capacity to process and deliver the Australian Government disaster recovery payments. This diversion of resources impacted on the processing of all Centrelink payments and services. In particular, family assistance claims were affected because they require staff with specialised skills to process them. The transfer of PLP processing staff to disaster recovery payment assessments in January 2011 had a direct influence on the processing teams as there was a lapse of three months between learning from the training that had been provided in December 2010 and their applied work when staff actually started to assess the bulk of PLP payments in March 2011. The situation was further amplified by the fact that the natural disasters occurred early in the year when staff numbers are traditionally lower owing to staff being on Christmas and New Year holidays. These factors led to the creation of a backlog of PLP claims, which meant that many claimants did not have their paperwork processed and claims verified within the usual 21 day timeliness standards. Staff reported that the delay in processing claims resulted in an increase in complaints from PLP claimants.

To address this issue, staff worked overtime on the backlog and extra staff were brought in to focus on Family Assistance payments. In September 2011, when processing staff were interviewed, the 21 day standard was still not being reached. However, by September 2011, processing staff reported that PLP claims were being prioritised ahead of other DHS claims. To achieve more processing within the 21 day standard, proof of birth forms were also given a higher priority during this time because payability determinations could not be made on claims until proof of birth and other necessary information was received.

3.8 Making payments

Since the commencement of the scheme, PLP payments to claimants can be made in one of two ways: PLP payments are made through employers for their eligible long-term employees or PLP payments are provided by Centrelink to parents who do not receive PLP from an employer, e.g. self-employed, contract and seasonal workers, employees who are expected to receive less than eight weeks of payment, employees who are not Australian based, and employees who have not been with their employer for 12 months or more .

As outlined previously, PLP is funded by the Australian Government out of Consolidated Revenue. It is expected that the cost of the scheme will be offset by increases in tax revenue, and by reductions in BB and FTB outlays as well as tax concession reductions during the PPL period.

3.8.1 Making payments through Centrelink

Centrelink provides PLP to eligible parents who do not receive the payment from their employer. There are a number of circumstances where Centrelink is required to pay a PLP instalment to a PLP claimant, including when:

- an employer determination has not been made;

- the employer has applied for a review of the decision to make an employer determination, and more than 28 days have lapsed from the person's PPL period start date;
- the employer determination has been revoked; or
- the matter has been referred to the Fair Work Ombudsman (FWO) (e.g. when an employer has allegedly not paid an instalment as required).

There are other circumstances where Centrelink provides PLP to claimants, despite it originally being determined that the claimant would be paid through an employer. This can occur as a result of a claimant's change of circumstances, for example, resigning from employment, or the employer's change of circumstances such as ceasing to trade, or where the employer fails to comply with their obligation to provide PLP. In situations such as these ones, Centrelink must revoke the employer determination (Australian Government 2010).

In the interviews with public servants involved in the delivery of the PPL scheme, no issues were presented in relation to Centrelink's role in making payments in the initial months of the scheme's operation. Rather, issues of determining eligibility and processing claims were more prominent. Any discussion of payment processes centred almost exclusively on how employers were handling the payment process. Mothers' experiences of receiving PLP payments through Centrelink are discussed in chapter 4, where results from the MoPE survey indicate that a minority of recipients were receiving their PLP payments through Centrelink (26%). As noted above, mothers receiving their payments through Centrelink were less likely to experience problems with their payments than those receiving their payments through their employers.

3.8.2 *Making payments via employers*

The employer role in administering PLP payments has been implemented in two stages. A voluntary opt-in arrangement existed for the first six months of operation. During this period, 9% of private sector and not-for-profit employers and 16% of public sector employers voluntarily administered PLP payments, with 100 per cent of Commonwealth Public Sector employers, who were required to opt-in from the start of the scheme (EIPE data weighted by organisational size; see chapter 5). The second stage of the employer role was phased in during the three months leading up to 1 July 2011 when pre-birth claims could be lodged by those with an expected date of birth or adoption from 1 July 2011. During this period, employers registered and prepared to make payments, by updating and/or developing payroll software systems. Employer determinations were sent out from 1 April 2011 for children expected to be born from 1 July 2011. Employer determinations are made by Centrelink under the following conditions:

- A payability determination that PLP is payable to the person or an initial eligibility determination for the person is in force.
- Instalments are likely, if the determination is made, to be payable by the employer for at least 40 consecutive PPL days that are week days (eight weeks).
- The person has, or will have been, employed by the employer for at least 12 months immediately before the expected DOB of the person's child where the person claims before the birth, or the later of the expected DOB and the day the child was born where the person claims after the birth.

- The person is likely to be an Australian based employee of the employer for the person's PPL period where a payability determination has been made or the period of days for which instalments are likely to be payable in any other case.
- The employer has an ABN (this requirement does not apply in relation to law enforcement officers and defence force members).

If more than one employer meets these requirements in relation to a PLP claimant, the Secretary must make an employer determination for the employer nominated by the claimant (PPL Guide 2012).

After receiving the employer determination, employers are obligated within 14 days after the date of the notice to accept the determination, provide relevant business details and to administer PLP payments. Employers who think the conditions for making an employer determination have not been met, can ask for a review of the employer determination within 14 days after the date of notice. If the employer is still not satisfied, they can appeal this decision in writing to the Social Security Appeals Tribunal within 14 days of receiving the review decision.

PLP funding is provided to employers before the employer is required to pay their employee. There is no obligation on employers to provide PLP to their employees until they have received a sufficient funding amount from Centrelink. Funding amounts are paid to employers before the cut-off day for any changes to an employee's pay for that pay period.

Issues arising around payments via employers concern the administration of payments and the timeliness of payments. While employers in the EIPE study felt that the administration of PLP payments had been relatively unproblematic, some problems with the timeliness of payments have occurred (see chapters 4 and 5). Mothers' experiences of applying for payment and receiving their PLP payments via their employers are discussed in chapter 4 where results from the MoPE survey reveal that most mothers (73%) received their payments through their employers. Mothers who received payments through their employer were more likely to experience problems with their payments (54%) than those receiving their payments through Centrelink (26%). For a further discussion on this issue, see chapter 4.

3.9 Monitoring performance

Data from Centrelink about the initial year of operation of the PPL scheme demonstrate that the number of customers who started PLP each month were low during the first three months of the scheme's operation but steadily increased over time

In the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme. Around 125,000 families received Parental Leave Pay, excluding those whose payment started in 2010-11 and finished in 2011-12. Median income of PLP recipients during 2011-12 financial year was \$43,350.

Of mothers who had babies in 2011-12, approximately 44% received PLP and 55% received the Baby Bonus. Note that some mothers received both PLP and Baby Bonus due to multiple births.

Since the start of the scheme, the average and median income of recipients has increased, suggesting that lower income recipients were accessing the payment

sooner, potentially because they are more likely to be accessing PPL from the date of birth as they may not have access to employer funded paid leave.

3.10 Conclusion

This chapter examined the implementation and delivery of the PPL scheme. Specifically, this chapter assessed:

- Management of the overall implementation process;
- The undertaking of further consultation;
- Development and passage of the legislation;
- Development of the PPL guide;
- The provision of information to families and employers;
- Development of administrative processes and IT systems;
- The processing of claims and determining eligibility;
- Making payments via employers and Centrelink; and
- Monitoring performance.

The overall implementation process was managed by the Paid Parental Leave Branch in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) working closely with Centrelink and with oversight and guidance by the PPL Interdepartmental Committee (IDC) comprised of 12 departments and agencies. This work was carried out by four working groups covering key areas of implementation and major tasks to be undertaken, including the creation of detailed policy designs and legislative provisions, establishing processes and systems for receiving and assessing claims as well as processes for making payments through employers and Centrelink, and creating a communication campaign and business as usual communications to inform families and employers about PPL.

Prior to the implementation of PPL, further consultation was undertaken with a range of key stakeholders including major employee and employer peak bodies, representatives of small business, family and community stakeholder groups, tax professionals, payroll specialists and payroll software developers and state and territory governments. Consultations played an important role in the development of the final policy and led to changes in the role played by employers. These changes included a delay in the employer role until 1 July 2011, allowing for a more gradual phasing in of the employer role, employers being able to choose to receive three six-weekly funding amounts rather than fortnightly funding amounts, and employers not having to provide PLP to employees receiving fewer than eight weeks of payments.

Legislation was developed during the latter half of 2009 and the first part of 2010. Following the creation of drafting instructions, the Bill, together with the Explanatory Memorandum, was tabled in the House of Representatives on 4-May 2010, with the Bill being passed by Parliament on 17 June 2011 with the inclusions of four government amendments. In addition to the legislation, the *Paid Parental Leave Rules 2010* were developed, as a legislative tool used to provide legislative guidance about exceptional cases and as an instrument to provide for matters necessary or convenient to carry out or give effect to the PPL Act. The Paid Parental Leave Guide was also created to provide policy detail on the administration of the legislation.

The implementation of PPL has been relatively unproblematic, although a number of minor issues arose. These included questions around eligibility, the work test and the meaning of continuous employment, and legislative issues regarding the use of KIT days.

The implementation of the PPL scheme was supported by a communication campaign designed to inform families and employers about the scheme. The initial campaign was supported by the creation of information brochures, and later phases of the campaign used a much wider range of media, including traditional and social media; public relations activities; media and news reports; the use of networking and call centres. The communication campaign also included outreach to people with a disability and people from Culturally and Linguistically Diverse Backgrounds (CALD), Aboriginal and Torres Strait Islander Australians, and those living in remote, rural and regional areas.

Business as usual communications consisted of brochures, publications, web-based information and questions and answers. Parents could obtain information from the Parent Helpline. In addition to the information products, including the Employer Toolkit, factsheets and web-based information, employers could contact the Centrelink Business Hotline, which was an important source of information provision to employers.

Data collected during this phase reveals some issues emerged regarding the provision of information to families and employers through the PPL communication campaign and business as usual communications. The most commonly reported issue was the on-going tension between emphasising detailed accuracy in the information and emphasising accessibility and intelligibility of the information.

The development of extensive administrative processes and IT systems were required to support payment choice for some claimants, lodgement of online and paper claims, claim assessments, letters and payment advices for parents and employers, payments parents or funding amounts to employers, compliance, and reviews and appeals.

In regards to determining eligibility and processing claims, the PPL scheme presented challenges owing to the interactions with existing tax, welfare and employment provisions. In the actual operation of the scheme, eligibility issues have been few. The vast majority of applicants have been mothers with only few complex cases involving secondary and tertiary claimant eligibility. There have, however, been some issues in regards to processing claims. There was some confusion among PLP applicants regarding proof of birth and the timing of payments, in particular relating to PLP payments only being payable post birth. The study also revealed several factors relating to the timeliness of claim processing during the first year of operation of the PPL scheme. While electronic claim forms are popular, if changes to the online form are necessary they cannot be carried out immediately because this requires a major systems release from Centrelink. These system releases occur quarterly. In addition, the occurrence of two natural disasters in the state of Queensland in early 2011, Cyclone Yasi and the Queensland floods, impacted on Centrelink's capacity to process PLP claims. It will be important to monitor payment timeliness on an ongoing basis.

PLP payments to claimants are made in one of two ways: PLP payments are usually made through employers to eligible long-term employees or PLP payments are made through Centrelink. As outlined previously, no issues were presented in relation to the Centrelink's role in making payments in the initial months of the scheme's operation. Chapter five discusses employers' views on the administration of payments and the timeliness of payments. While the administration of PLP payments by employers is going smoothly, there are some issues regarding the timeliness of PLP payments, discussed in later chapters from the perspective of PLP recipients (chapter 4) and from the perspective of employers (chapter 5).

Following the initial year of operation, data from FaHCSIA reveal that the PPL scheme is operating as expected.

In the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme. Around 125,000 families received Parental Leave Pay, excluding those whose payment started in 2010-11 and finished in 2011-12.

Of mothers who had babies in 2011-12, approximately 44% received PLP and 55% received the Baby Bonus. Note that some mothers received both PLP and Baby Bonus due to multiple births.

Future monitoring of PLP recipients continues to be necessary to measure take-up as well as the functioning of the scheme in relation to the stated objectives of the scheme.

4 MOTHER'S IMPLEMENTATION AND PROCESS EVALUATION

Belinda Hewitt, Emily Rose and Laetitia Coles

This chapter examines mothers' experiences of the PPL scheme during its early operation. Its focus is on immediate outcomes of the scheme. It begins by considering overall take-up patterns, focusing on the number of mothers who have taken PLP and comparing these mothers with mothers who were likely to be eligible for PLP, but who chose the BB instead. The chapter then considers the experiences of mothers, beginning with their awareness and knowledge of the PPL scheme. It then moves on to consider how they decided between PLP and the BB, their experiences in applying for and receiving PLP payments, their experiences and use of KIT days, and their use of employer-provided forms of leave around the birth of their babies. The chapter outlines the results of a small study of fathers who took some or all of the PLP payments associated with the birth of their child.

The results outlined in this chapter are based on the Mothers Process Evaluation Study (MoPE) which involves a survey of 901 families with birth in July or August 2011, including 800 mothers who were eligible for PLP and had taken or were approved to take PLP. It also includes 101 mothers who were likely to be eligible for PLP but had applied for the Baby Bonus (BB). These mothers were selected from a total of 588 randomly selected BB recipients. In addition, in-depth interviews were conducted with a subsample of 90 mothers and 7 fathers. Surveys and interviews were conducted between October and November 2011.

4.1 Take up of the scheme

Administrative data indicate that in the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme. Around 125,000 families received Parental Leave Pay, excluding those whose payment started in 2010-11 and finished in 2011-12. Of mothers who had babies in 2011-12, approximately 44 per cent received PLP and 55 per cent received the Baby Bonus. Note that some mothers received both PLP and Baby Bonus due to multiple births and a small per cent of mothers were not eligible for either payment.

In addition to mothers who applied for PLP and were granted it, some PPL eligible mothers also chose to take the BB instead of PLP. Administrative data could not identify such mothers, and, as a result, information was not available on them from the administrative data. Therefore information from the screening questions to recruit mothers for the Mothers Process Evaluation (MoPE) survey was used to estimate the proportion of BB mothers who were eligible for PLP. A total of 588 randomly selected mothers were contacted from the BB sample and of those 101 were likely to be eligible for PPL; this represents a total of 17.2 per cent of BB recipients who were likely to be PPL eligible (and a total of 9 per cent of all mothers who had babies in 2011¹²). From this information we were able to calculate an estimated proportion of mothers who were likely to be eligible for PLP, but took BB instead; these calculations

¹² The 9 per cent was calculated by taking 17.2 (which is the percentage of BB mothers eligible for PPL according to MoPE) and "weighting" it by 52.6 per cent (which is the overall percentage of mothers who took BB in 2011 according to the FaHCSIA data). This tells us that 9.0 per cent of all mothers who had babies last year took the BB even though they were eligible for PPL. The major assumption underpinning this figure is that the random sample of 588 BB mothers is representative of the population of BB mothers.

suggest that approximately 17 per cent of mothers likely to be eligible for PLP took BB (9 per cent + 42.6 per cent = 51.6 per cent; $9/51.6 = 17.4$ per cent¹³).

4.1.1 *Characteristics of PPL and PPL eligible mothers taking BB*

Given the estimate that around 17 per cent of mothers who would likely have been eligible for PLP took BB, this next section examines differences between mothers who took BB rather than PLP. Throughout this section the term “BB mothers” refers to mothers who took BB even though the screening interview indicated they were also likely to be eligible for PLP. In Table 4.1, the results show similarities and differences in a range of social and demographic characteristics between mothers who chose BB and those who chose PLP. The age profile of each group of mothers was similar, with the majority of BB and PPL mothers in the 25 – 34 age group, and an average age of 31 for PPL mothers and 30 for BB mothers. The number of children, other than the baby, in the household was also important. A greater proportion of PPL mothers (58 per cent) were having their first baby compared to BB mothers (33 per cent). Marital status was also important. A much greater proportion of BB mothers were single mothers (13 per cent) compared to PPL mothers (3 per cent). There were no differences between mothers in terms of their Aboriginal and Torres Strait Islander status or CALD status, although it should be noted that the numbers of Aboriginal and Torres Strait Islander mothers in the sample was too small to draw any meaningful conclusions.

In Table 4.2, the results show differences in job and work characteristics before the birth of their baby between BB and PPL mothers. The results of this table suggest a number of differences. First, mothers who took PLP had a much higher average annual income in their job prior to the birth of their baby than BB mothers. The mean annual earned income before birth for PPL mothers was just over \$50,000, compared to less than \$34,000 for BB mothers. Indeed, some 51 per cent of BB mothers earned less than \$26,000 per year, compared to only 11 per cent of PPL mothers. This is likely because BB mothers were also working fewer hours on average than PPL mothers, with some 35 per cent of BB mothers working short hours of less than 20 hours per week compared to 10 per cent of PPL mothers. There was also a much greater proportion of BB mothers working less than 9 hours a week (9 per cent) compared to PLP (<1 per cent). These BB mothers would only have been marginally eligible for PLP, given the work test requirements that they work 330 hours a year; which is approximately 1 day a week for at least 10 months in the year prior to birth. A higher proportion of BB mothers worked in the private sector prior to the birth of their baby (76 per cent vs. 64 per cent for PPL mothers). Finally, some 21 per cent of BB mothers had resigned from paid employment prior to the birth, a far higher proportion than the 6 per cent of PPL mothers who had done so.

¹³ By adding the 9 per cent of PPL eligible mothers who took BB to the PPL per cent of 42.6 per cent (which is the overall percentage of mothers who took PPL in 2011 according to the FaHCSIA data), this gives us an approximation of the overall total per cent of mothers who were PPL eligible – which is 51.6 per cent. Of that 51.6 per cent 9.0 per cent were eligible but didn’t take it – this gives us 17.4 per cent of PPL eligible mothers who didn’t take PPL, but took BB instead.

Table 4.1 Selected social and demographic characteristics of mothers who took PLP compared to BB mothers likely to be eligible for PLP

		PPL Mothers (per cent)	BB Mothers (per cent)
Age ^a	18-24	7	20
	25-34	69	62
	35-44	24	18
	45-54	<1	0
	TOTAL	100	100
Relationship status^a	Married	74	61
	Cohabiting	22	25
	Living Apart Together (LAT)	<1	1
	Not partnered/Single	3	13
	TOTAL	100	100
Number of children in household ^a	No children other than baby	58	33
	1 child other than baby	32	40
	2 or more children other than baby	11	28
	TOTAL	100 ^b	100 ^b
Aboriginal and Torres Strait Islander Status^a	Yes	1	4
	No	89	84
	Other/No answered	10	12
	TOTAL	100	100
Language Spoken	English only	84	84
	CALD	16	16
	Total	100	100
N		800	101

^a Chi-square test indicates that this is significantly different at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

Source: MoPE

Table 4.2 Selected work and job characteristics of PPL eligible mothers who took PLP compared to BB

		PPL Mothers (per cent)	BB Mothers (per cent)
Income	Mean Income ^b	50,286.60	33,786.75
	\$150,000 or more	<1	1
	\$104,000-\$149,999	4	2
	\$78,000-\$103,999	8	4
	\$52,000-\$77,999	28	10
	\$36,400-\$51,999	28	18
	\$26,000-\$36,399	17	15
	\$15,600-\$25,999	7	35
	\$5,200-\$15,999	3	12
	\$1-\$5,199	<1	2
	\$0 or negative income (loss)	<1	2
	Don't know	4	0
	Total	101 ^e	101 ^e
Work hours ^a	Mean work hours ^c	31.4	27.5
	Fewer than 9 hours ^d	<1	9
	9-19 hours	9	26
	20-29 hours	17	14
	30-34 hours	12	10
	35-39 hours	26	15
	40-49 hours	28	21
	50 or more hours	7	5
	Don't know	0	1
	Total	100	100 ^e
Sector ^a	Private	64	76
	Private not-for-profit	8	4
	Commercial Govt	5	2
	Government	22	15
	Other	1	3
	Total	100 ^e	100
Employment Contract ^a	Permanent or ongoing	80	51
	Fixed term contract	6	2

		PPL Mothers (per cent)	BB Mothers (per cent)
	Casual	9	33
	Self-employed	4	14
	Other	2	1
	TOTAL	100	101 ^e
Employer size	1-4	6	19
	5-20	15	13
	20-100	14	17
	100-200	5	5
	>200	60	47
	Don't know	1	0
	Total	100 ^e	100 ^e
Resigned from employment^a	Yes	6	21
	No	94	79
	Total	100	100
Total Number		800	101

^a Chi-square test indicates that this is significantly different at $p < 0.05$.

^b 88 respondents either did not know their income, refused to answer, or reported an income of \$0.

^c 9 respondents either refused to answer or did not know their work hours.

^d Note that this group of mothers would have only been marginally eligible for PLP, the minimum hours of work required for eligibility is 7 hours and 20 minutes per week for 10 months in the year prior to birth.

^e Does not equal 100 per cent due to rounding.

Source: MoPE

The largest differences between BB and PPL mothers were in the type of employment contract and the size of their employer. Some 51 per cent of mothers who took BB were in permanent or ongoing employment contracts, compared to 80 per cent of PPL mothers. A much greater proportion of BB mothers were in casual employment (33 per cent) than PPL mothers (9 per cent), and a much larger proportion of BB mothers (14 per cent) were self-employed than PPL mothers (4 per cent). This is particularly interesting from a policy perspective, because the PPL scheme makes parental leave pay available for the first time ever to casual and self-employed mothers but our results suggested that mothers in these employment contracts were taking up PLP at a lower rate than other mothers. Finally, 19 per cent of BB mothers were working for very small employers (1 – 4), a much greater proportion than the 6 per cent of PPL mothers who had worked for employers of this size. At the other extreme, 60 per cent of PPL mothers had worked for very large employers (>200) prior to birth, compared to 47 per cent of BB mothers.

4.1.2 Section Summary

In the first full financial year of operation (2011-12) there were around 130,000 PPL claimants. Not all mothers who were eligible for the scheme applied for or took PLP.

The MoPE survey indicates that approximately 17 per cent of mothers who were likely to be eligible for PLP took the BB instead. Mothers who took BB differed from PPL mothers on a range of social and demographic characteristics. A greater proportion of BB mothers already had children in their household and a higher proportion were single than PPL mothers. In terms of work and employment characteristics there were also several notable differences. BB mothers worked fewer hours, earned less money, were more likely to be casual or self-employed, worked for smaller employers and were more likely to have resigned from employment when their baby was born. Together these characteristics suggest that BB mothers tended to be less attached to the work force. It is possible that due to their lower attachment to the workforce they may have thought they would not meet the work test for PLP because they hadn't worked enough or they were not planning on returning to work. Evidence from the qualitative interviews provides limited support for this possibility. Two of the BB mothers who participated in the in-depth interviews, had worked overseas in the lead up to the birth and thought this would exclude them from PLP eligibility – although neither had actually investigated whether this was the case.

4.2 Awareness and knowledge of PPL scheme

Starting from July 2010, the Australian Government embarked on an awareness raising communication campaign and business as usual communications targeted at making working mothers and families aware of the PPL scheme. This section of the report examines where new mothers found information regarding the scheme and how useful the information was to them. Of the 101 BB mothers who participated in the MoPE survey only 4 had not heard about the PPL scheme, thus the overwhelming majority of mothers in the study were aware that the PPL scheme existed.

4.2.1 *Mothers' sources of awareness and information about the PPL scheme*

The next section of this report examines the sources mothers used for information about PPL. The 4 respondents who had not heard about PPL are excluded from these analyses. Table 4.3 shows how mothers first heard about the scheme, and the main source of information they used to obtain detailed information about it. A large proportion of mothers first heard about the PPL scheme via government advertising (42 per cent), followed by other non-advertising media (26 per cent), such as news programs on TV or radio, and newspaper articles reporting on the scheme. Some 10 per cent of women first heard about the scheme from friends and family. Another 10 per cent of mothers had first heard about the scheme through work sources such as their employer, work colleagues or their unions.

The main source of detailed information about the scheme was the Government website, with 57 per cent of mothers nominating that as their main source. The next most commonly used source of information was the Centrelink office (16 per cent); indeed, around 22 per cent of mothers nominated the government offices (Centrelink and Medicare) as their main source of information.

Table 4.3 Sources of awareness and information about the scheme

Where did mothers get their information from?	First heard about PPL (per cent)	Main source of information about PPL (per cent)
Employer/HR	5	3
Work colleague	4	1
Union	<1	<1
1800 number	<1	1
Government Advertising	42	6
Other non-advertising media	26	2
Government website	3	57
Centrelink office	2	16
Centrelink	<1	5
Medicare office	<1	11
Friends or Family	10	2
Hospital admissions	1	<1
Other/Don't know	5	5
Total	100	100 ^a
N	897	897

^a Does not equal 100 due to rounding

Source: MoPE

4.2.2 Use of Online Estimator

Mothers making a choice between the BB and PLP could use an online estimator, available on the Centrelink website, to help them assess which payment would give them the greater after tax total payment. Almost all mothers were aware of the estimator, with only 5 per cent of PPL mothers and 15 per cent of BB mothers indicating that they were not aware of it (Table 4.4). About three quarters of PPL mothers (76 per cent) and BB mothers (70 per cent) were aware of the estimator and actually used it.

Amongst those who used the estimator, most found it easy to use, found the information it provided useful, and indicated that the information it provided was important in their decision about which payment to take (Table 4.5). Thus, 77 per cent of PPL mothers and 82 per cent of BB mothers who used the estimator found it easy to use. A higher proportion of BB mothers than PPL mothers found the information it provided useful (87 per cent compared with 83 per cent). Similarly high proportions indicated that the estimator provided information that was important in their decision about whether to take the BB or PPL (85 per cent of PPL mothers and 82 per cent of BB mothers).

Table 4.4 Mothers awareness and use of online estimator

Awareness and Use of Online Estimator ^a	PPL Mothers (per cent)	BB Mothers (per cent)
Aware of estimator and used it	76	70
Aware of estimator but did not use it	19	13
Not aware of estimator	5	14
Don't know	<1	2
Total	100	99 ^b
N	800	97

^a Chi-square test indicates that this is significant at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

Source: MoPE

Table 4.5 Mothers' experience in use of online estimator

	PPL Mothers (per cent)	BB Mothers (per cent)
Online comparison estimator was easy to use ^a		
Strongly agree or Agree	77	82
Neither agree or disagree	3	0
Disagree or Strongly Disagree	20	18
Total	100	100
N	605	68
The information provided by the online comparison estimator was useful ^a		
Strongly agree or Agree	83	87
Neither agree or disagree	2	0
Disagree or Strongly Disagree	14	13
Total	101 ^b	100
N	605	68
The information provided by the online comparison estimator was important in my decision to take BB/PPL ^a		
Strongly agree or Agree	85	82
Neither agree or disagree	3	3
Disagree or Strongly Disagree	13	15
Total	101 ^b	100
N	606	68

^a Chi-square test indicates that this is significant at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

Source: MoPE

4.3 Deciding between PLP and BB

This section examines the factors that influenced mothers' decisions to take PLP or BB and in particular the level of involvement of their employer. Table 4.6 shows the proportion of BB and PPL mothers who considered applying for the other payment. The results indicate that a much greater proportion of BB mothers considered applying for PLP than vice versa. Most PPL mothers did not even consider applying for BB (63 per cent), whereas 75 per cent of BB mothers considered applying for PLP. The majority of mothers did not talk to their employer before making a decision about taking PLP or BB, although a slightly higher proportion of BB mothers talked to their employers than PPL mothers. Of those mothers who talked to their employer before making a decision, almost all agreed or strongly agreed that their employer was supportive of their decision.

Table 4.6 Consideration of applying for each scheme and employer involvement, by receipt of BB and PLP

	PPL Mothers (per cent)	BB Mothers (per cent)
Did you think about applying for the Other Scheme?		
Yes	37	75
No	63	25
Don't know	<1	0
Total	100	100
N	800	97 ^a
Did you talk to your employer about it before making decision?		
Yes	20	27
No	80	73
Don't know	<1	0
Total	100	100
N	771 ^b	83 ^c
Of those who spoke to employer about their decision, employer was supportive		
Agree or strongly agree	80	86
Neither agree nor disagree (+don't know/refused)	17	14
Disagree or strongly disagree	4	0
Total	101 ^d	100
N	154	22

^a 4 people who hadn't heard about PPL scheme not asked.

^b 29 PPL recipients were self-employed, and thus did not have an employer to talk to.

^c 14 BB recipients were self-employed, and thus did not have an employer to talk to.

^d Does not equal 100 per cent due to rounding

Source: MoPE

BB mothers were asked whether they had decided not to apply for PLP because they thought they were ineligible. Some 31 per cent said they had not applied for this reason. However, when BB mothers were asked the main reason they took BB rather than PLP, only 14 per cent cited a belief that they were ineligible (Table 4.7). Just over

half (51 per cent) gave financial reasons for the decision, indicating that they believed they would be financially better off taking BB. Another fifth of BB mothers (20 per cent) said that they chose BB mainly because they did not want to take the leave from their jobs that would be needed to receive the PLP. Some 8 per cent of BB mothers gave reasons for taking BB in preference to PLP that indicated they were confused over the system (e.g., they cited an intention not to return to work as a reason for taking BB), or that they had not been able to find sufficient information about PLP to consider it. Only 3 per cent of BB mothers indicated that they chose BB because they preferred not to involve their employer in the payment.

Table 4.7 BB mothers' main reason for applying for and choosing BB rather than PLP

	Per cent
Better off financially with BB	51
Didn't want to take leave	20
Believed ineligible	14
Confusion	8
Didn't want to involve employer	3
Other	4
Total	100
N	97 ^a

^a 4 people had applied for PLP but were not eligible, so were not included in this question.

Source: MoPE

PPL mothers were asked whether they decided not to apply for BB because they thought they were ineligible for it. Some 21 per cent said that they had not applied for BB for this reason. However, this reason receded in importance when PPL mothers were asked to nominate the most important reason for choosing PLP. Just over three quarters (77 per cent) of PPL mothers said that they chose PLP because they were financially better off with PLP than the BB (Table 4.8). Only 13 per cent said that their belief that they were ineligible for BB was the most important reason for not applying for it. Just 4 per cent of mothers said the main reason for choosing PLP was they received it on a regular basis rather than a one-off payment (of course, this is a misconception). Another 3 per cent said they preferred PLP primarily because it gave them more time with their baby or more time off work.

Table 4.8 PPL mothers' main reasons for choosing PLP rather than BB

	Per cent
Better off financially with PLP	77
Believed ineligible	13
Preferred regular vs one-off payments	4
More time off work with baby	3
Other	3
Total	100
N	796

Source: MoPE

In a further series of questions aimed at understanding why mothers chose PLP, they were asked whether various factors were important in their decision to take PLP

rather than BB (Table 4.9). An overwhelming majority (94 per cent) said the “amount of money” they received on PLP was an important factor. Nearly two thirds (64 per cent) said the “amount of time off” was important. Some 44 per cent said a matter related to their eligibility for BB had been important. Amongst the 19 per cent of PPL mothers who said they had discussed with their employer whether to choose PLP or BB, about half (52 per cent) said the discussion had been important in their choice.

Table 4.9 Important factors in decision to take PLP rather than BB

Were the following factors important in your decision to take PLP rather than BB?	Yes (per cent)
The amount of money you received	94
The amount of time off work	64
Eligibility for BB	44
N	800
Your discussion with your employer ^a	52
N	152

^a Excludes the self-employed and those who did not talk with their employer.

Source: MoPE

4.3.1 *Deciding between PLP and BB: evidence from qualitative interviews*

The information collected from the qualitative interviews was consistent with the survey data, but provided more nuanced information about the decision making processes mothers went through. A large majority (90 per cent) of the mothers interviewed chose to take PLP. Consistent with the survey data, the main reason for this was that they would receive more money under this scheme compared with the BB. Most of the mothers used the online estimator to help them reach this decision. Some relied on calculations they carried out themselves, information they had received from talking with other women who were having or recently had a baby, or discussions with Centrelink staff.

While the online estimator was largely viewed as helpful, several mothers identified issues relating to its use. In terms of inputting data, a small number of mothers found it lengthy and the questions confusing. Others found it difficult to predict their future income, which is an important component of the calculator. This was more likely to be an issue for self-employed mothers or those who worked casually, particularly if they didn't know when they were going to return to work. Three mothers noted the estimator did not seem to have appropriate areas to input information they thought may be relevant to the result, in their cases: government drought relief being received, salary sacrifice arrangements, and a work paid parental leave scheme. In terms of the result given by the online estimator, the main criticism related to the lack of information about the amount of tax due on the PLP payments. The mothers expressing this concern wanted to know how the tax was going to be calculated and the particular tax year it related to. A few women also wanted more information about why the option identified by the online estimator would be better for them and how it came to this result.

The financial benefits of PLP were not always the only reason why the mothers chose this option over the BB. A number of women viewed the time PLP gave them off work to be a benefit. For example, a mother who worked full time for salary or wages stated:

The fact that when you have the Paid Parental Leave you're not allowed to work and so when I had my son Because I was working full time, I just went and I started working when he was about 14 weeks ... [but this time] I thought, well, this is going to make me have the whole 18 weeks off, you see what I mean? [Mother Int # 79]

One woman opted for PLP so that she could transfer part of the payment to her husband who wanted to stay at home. Another woman thought it would be easier to continue to be paid by her employer as opposed to a government agency. In addition to these reasons, a small number of mothers chose PLP because they were ineligible for BB or because they did not like the way BB was administered. The latter group of mothers appeared to misunderstand aspects of the BB, such as thinking that it was paid in a lump sum or that they could not work for the whole period that it was being paid.

While many of the mothers talked to their employers about PLP, the employers themselves did not appear to play a role in helping the mothers choose between PLP and BB. The discussions that did take place tended to involve a sharing of information about how the scheme worked – be it the employer telling the mother about PLP or the mother informing the employer – or, more frequently, the mother simply informing their employer that they were going to take PLP. Employers were generally accepting of the mothers' plans. In only two cases did an employer attempt to dissuade a mother from taking PLP. Both of the mothers involved were on casual contracts and their employers told them that they were not eligible for PLP.

The nine mothers who chose BB over PLP did so for a variety of reasons. Four of these mothers opted for BB because the online estimator advised them to do so. These mothers weren't always aware of why the BB was going to be the better choice for them and would have liked more information from the online estimator in this regard. Two of the BB mothers did not think they were eligible to receive PLP, largely due to their being out of the country for much of the time prior to the birth of their child. One self-employed mother chose BB because she thought she might need to go back to work before the 18 week period was up and didn't want to lose out on any payments because of this. Another mother had concerns about the tax implications of receiving PLP. The remaining mother applied for the BB because she was not aware of the PPL scheme.

Overall, the BB mothers who participated in the in-depth interviews were a diverse group, comprising full and part time, permanent and casual employees and also a mother who was self-employed. Two of the mothers had CALD status. None were Aboriginal and Torres Strait Islander. All, but one, of the BB mothers were married or cohabiting. The remaining mother was separated.

4.3.2 Section Summary

For many mothers the decision making process was relatively straight forward and simple. Overall, relatively few mothers consulted with their employers about their decision. Interestingly, a greater proportion (27 per cent) of BB mothers consulted with employers, than PPL mothers (20 per cent) although there is no employer role or involvement with the BB). But employers were generally accepting of the choices that the mothers made. This is important from a policy perspective as it indicates that largely women are freely making their decisions, and those who did consult with their employers found their employers were supportive.

Three quarters of BB mothers had considered applying for PLP. Of those mothers who did not consider applying for PLP, many did not apply because they thought they were ineligible for PLP (30 per cent). This is consistent with the findings of section 4.1

that BB mothers had, on average, jobs that were more marginal than PPL mothers. Further, the qualitative interviews suggest some BB mothers thought they were ineligible because they had employment histories during their pregnancies that may have excluded them, such as they had worked overseas. Around half of BB mothers said the main reason they did not apply for or choose PLP was they thought they were better off financially with BB. About one fifth of BB mothers did not take PPL primarily because they did not want to take 18 weeks off work, especially if they were self-employed. Around 8 per cent of mothers did not apply for PPL because of confusion over their eligibility, or confusion with the application process and the perception that it was easier and simpler to apply for and take BB.

In contrast to the BB mothers, just over one third (37 per cent) of PPL mothers had considered applying for BB. Only 13 per cent said ineligibility for BB was the main reason they took PPL. Over three quarters (77 per cent) chose PLP primarily because they thought they were better off financially with PLP. The remaining mothers gave a variety of main reasons for choosing PLP, including a preference for the PLP payment process and a desire to spend more time with their babies.

4.4 Experiences of applying for and receiving PLP payments

Mothers' experiences in applying for and receiving payments under the PPL scheme are important aspects of the operation of the scheme. This section of the report focuses on them.

4.4.1 *The timing of the application process*

Under the scheme, mothers are able to apply for PLP up to three months before the expected date of birth or adoption, and up to around 52 weeks after the birth or adoption. To receive the full 18 weeks of PLP, a claim must be lodged no later than 34 weeks after the birth or adoption. Proof of birth must be provided to finalise the claim process. As shown in Table 4.10, most mothers applied for PLP prior to the birth of their baby, with only 15 per cent reporting they applied after the birth. Overall, some 61 per cent of mothers had applied for PLP before they were 8 months pregnant.

Table 4.10 **Timing of PLP application**

At what stage in your pregnancy did you first apply for PLP	Per cent
Before 6 months	5
6 months pregnant	33
7 months pregnant	23
8 months pregnant	18
9 months pregnant	4
After birth	15
Refused/Don't know	2
Total	100
N	800

Source: MoPE

It should be noted that these figures differ markedly from administrative data that show that 54 per cent of mothers are making pre-birth claims, and 46 per cent lodging post-birth claims. These administrative figures have been stable since the start of the scheme. Differences between MoPE and administrative data may be due to mothers reporting when they first *started* their claims online, though they had not yet submitted the claim.

4.4.2 Mode of application and ease of application process

Mothers had two different options for applying for PLP: they could apply online, or by lodging a paper claim. The overwhelming majority of mothers, some 85 per cent, used the online application (Table 4.11). There were another 12 per cent of mothers who lodged their claim through Centrelink or Medicare offices. It is likely that the majority of these mothers lodged paper claim forms, although it should be noted that they were not directly asked if they lodged a paper claim.

Table 4.11 Mode of application for PLP

Did you apply using:	Per cent
Online (using the Internet)	85
In person Centrelink Office	8
In person Medicare Office	4
Other	3
Total	100
N	800

Source: MoPE

Table 4.12 presents mother's opinions on how easy the application process was for them. Mothers were divided in their opinions on the ease of the application. Only 3 per cent of mothers had neutral feelings about the application process, 57 per cent strongly agreed or agreed with the statement that the application process for PLP was easy, but a large proportion (41 per cent) also strongly disagreed or disagreed with that statement. Overall, of mothers who did the application online, 59 per cent strongly agreed that the application process was easy. More than half of mothers who used a paper claim form were more likely to disagree or strongly disagree that the process was easy. It appears that the relatively small group of mothers (12 per cent of the total - Table 4.11) who lodged a paper claim may have been more likely to experience difficulty with the application process.

Table 4.12 Agreement with the statement that "The application process was easy" by mode of application for PLP

Application process for PLP was easy ^a	Internet/ Online (per cent)	Medicare/ Centrelink (per cent)	Other (per cent)	Total (per cent)
Strongly agree or agree	59	43	42	57
Neither agree nor disagree	3	3	0	3
Disagree or strongly disagree	38	54	48	41
Total	100	100	100	100 ^b
N	682	97	21	800

^a Chi-square test indicates that this is significantly different at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

Source: MoPE

4.4.3 Mothers' views on experiences of PLP application process

Most of the mothers with whom qualitative interviews were conducted had applied for PLP before they gave birth, and they did so online. A small number of mothers had a preference for a hard copy of the form.

There were mixed opinions about the ease of applying for PLP. While some mothers found the process straight forward and easy, others had great difficulty. Areas of concern can be grouped into three categories: the application form itself, the application process as a whole, and accessing help along the way.

Firstly, when it came to completing the online application or filling in the written application form, many mothers found the form to be very long. Some questioned whether all of the data collected was relevant, such as details of their travel outside of the country, and whether Centrelink or other government agencies may already have some of the information requested, with the suggestion that the form could be prefilled with existing known information. It was also noted that there was repetition in the questions asked. Another concern was that some of the questions were hard to understand. A few mothers suggested that the language be simplified, while others thought that there needed to be greater clarity in the wording of the questions. For example, two mothers were not always sure which tax year a question referred to, given that their children were due in the upcoming tax year. Many mothers noted that the form required a lot of detailed information about a range of topics. It was suggested that a checklist be provided outlining all of the information that would be required to fill in the form, such as the mother's passport number and her employer's ABN number. This would save time as all the relevant information could be gathered beforehand, however the list would vary depending on the payments being applied for and the particular circumstances of each applicant.

The second area of concern identified by the mothers related to the process itself. In particular, issues arose with the additional paperwork required to be completed after their baby was born. While some mothers felt that confirming the birth of their child was very easy, a considerable number (more than 15 per cent) reported having to fill in the **same** application form in hard copy that they had filled in online prior to the birth. This took many of the women hours to do and, at times, and felt they needed to attend a Centrelink or Medicare office more than once. The effort to do this was often considerable due to their having recently given birth to a child. It would seem that having already filled in the online application many of these mothers were completing parts of the hardcopy form that they didn't need to. However, they did so either because the hardcopy form did not clearly state otherwise or because Centrelink or Medicare staff informed them that this was necessary. A few mothers felt that the timeframe for submitting confirmation of the child's birth was too tight, particularly if the child was overdue or if the mother or child experienced health complications. One mother, whose baby was over the due date noted that she was sent reminder letters about confirming the child's birth before her child was born.

A general suggestion made with respect to the application process was that Centrelink or Medicare provide better communication to the mothers. This should include information setting out the process involved in applying, the relevant timeframes for each step, and confirmation when each step has been successfully completed.

The third area of concern related to accessing help with the application from Centrelink and Medicare. Some mothers noted staff to be very helpful, particularly when they went to these offices in person. However, a number reported having to wait in a long queue when telephoning a helpline. This was particularly difficult when trying to look after a newborn baby. Others also reported that staff they dealt with were not sufficiently knowledgeable about how to apply for PLP.

Certain groups of mothers seemed to experience particular issues when applying for PLP compared to others. In particular, these included mothers with Aboriginal and Torres Strait Islander and CALD status and those who were single parents.

While most of the Aboriginal and Torres Strait Islander mothers found the PLP application process easy, some noted difficulty in understanding the questions asked, particularly in relation to the terminology used for questions about their finances. The mothers who experienced difficulty were proactive in seeking assistance from Centrelink and Medicare staff. However, as a result, these mothers experienced the delays – both in offices and via the telephone – that came with receiving this assistance. A few of the Aboriginal and Torres Strait Islander mothers would have liked to have been better informed about the whole PLP process, including what stages they had completed (or not) and the future steps required of them.

Some of the CALD mothers found the questions in the PLP application form to be difficult to understand. They would have preferred if they were written in a more straight forward manner and with simpler language. Another comment by this group was that the application form was long and required information about residency and travel details, which these mothers thought was either irrelevant or that they had already provided to government agencies for other purposes.

Undertaking or completing the application process after the child was born posed a particular challenge to the single mothers, depending on whether they were able to draw on support from friends or family. One mother described the difficulty involved in filling in a form “40 pages long”. She noted:

I’m a first time mum so it was really hard to sit in the hospital bed while your baby’s screaming trying to fill out forms ... I didn’t have someone else to sit there with me and do them. [Mother Int # 25]

In comparison, another single mother’s own mother provided her with support by going to Centrelink to complete and lodge the PLP application form on her behalf.

4.4.4 Receipt of PLP Payments

The primary purpose of the PPL scheme is to provide working mothers, and families, with an income at the minimum wage for up to 18 weeks. This section provides an overview of mothers’ experiences of the payment and receipt of PLP. Mothers do not have to receive the full 18 weeks of PLP, they can elect to receive less if they wanted to return to work earlier. In MoPE, 83 per cent of mothers took the full 18 weeks of PLP and approximately 10 per cent took 10 to 17 weeks (Table 4.13). Very few mothers took less than 10 weeks, possibly because at 10 weeks the BB is more likely to provide a bigger financial benefit than PLP.

Administrative data shows that 98.6 per cent of all PLP recipients in 2011-12 took the full 18 weeks of payment, and does not suggest that any mothers are missing out on payments. It is suspected that these discrepancies highlight that mothers may not fully understand how many weeks of PLP they are receiving, especially as some may receive an initial lump-sum for arrears, or they may be taxed more than they expected.

Table 4.13 Number of weeks taken by PPL mothers

How many weeks of PLP will be taken?	Per cent
< 10 weeks	2
10 to 17 weeks	10
18 weeks	83
Don't know	5
Total	100
N	800

Source: MoPE

In addition, some, or all of the PLP payments can be transferred to an eligible partner (partners must meet the work, income and residency tests; be the primary carer for the baby at that time; and not return to work between becoming the primary carer and the end of their PPL period). Table 4.14 shows that virtually all mothers (97 per cent) received all the payments, only 2 mothers transferred the full payment to their partners and only 12 mothers split the payments with their partners.

Table 4.14 Distribution of PLP payments between mothers and partners

How PLP payments are to be received	Per cent
You will receive all of the payments	97
Your partner will receive all payments	<1
You will transfer some of the payments to your partner	2
Other	<1
Total	100
N	800

Source: MoPE

In the first 6 months of operation of the PPL scheme (1 January 2011 to 1 July 2011), almost all payments to mothers were provided by Centrelink. Some payments were provided to claimants by their employer, where the employer chose to opt-in prior to the introduction of the mandatory role and the employee agreed to receive payments from their employer.

From 1 July 2011 employers are generally required to provide PLP to their eligible long-term employees. Employers can, however, elect to provide payments to other employees irrespective of length of employment. Employers who opt in can provide the pay to their employees, with the employees' agreement.

In the next section the mode of payment and any problems with payments are examined. The MoPE sample included mothers who had babies after 1 July 2011, and were receiving PLP or had been approved to receive it. Not all mothers were had received their first payment at the time of the survey (11 per cent). For the majority of these mothers this was because they had elected to start receiving payments at a later date, although it should be noted that 9 of these mothers were due to have started receiving their payments prior to the interview and had not yet received a payment. Table 4.15 shows whether mothers had received or were going to receive their payments through their employer or Centrelink. Most mothers (73 per cent) had or were going to have their payments administered by their employer.

Table 4.15 Mothers receipt of payments through employer or Centrelink

How PLP payments are to be received	Per cent
Employer	73
Centrelink	26
Both	<1
Don't Know	1
Total	100
N	800

Source: MoPE

Whether mothers received PLP payments through their employer or Centrelink was associated with the type of employment contract on which they were employed. Most mothers employed on permanent or ongoing contracts (85 per cent) were paid PLP through their employer (table 4.16). In contrast, the majority of casually employed mothers were paid through Centrelink (74 per cent), and mothers employed on fixed term contracts were about equally likely to receive payments through their employer or Centrelink. Interestingly, one self-employed mother received PPL funding amounts as an employer. One possible explanation for this is that the mother was both the applicant and the employer, and may have registered as a PPL employer and provided employer details in her claim form.

Table 4.16 Distribution of payments made by employer and Centrelink by employment contract prior to birth

Employment contract	Payments made by Employer (per cent)	Payments made by Centrelink (per cent)	Row total (per cent)	N ^b
Permanent or ongoing	85	15	100	632
Fixed term contract	48	52	100	44
Casual	26	74	100	72
Self-employed	3	97	100	29
Other	57	43	100	14

^a Chi-square test indicates that this is significantly different at $p < 0.05$.

^b Analysis was run with the exclusion of 9 respondents who indicated they either received payment through both Centrelink and Employer, or did not know who they received payment through

Source: MoPE

The next section provides information about problems mothers experienced in receiving their payments. Respondents were asked if they had experienced any of the following problems: *one or more payments skipped or not received at all; one or more payments not received on time; incorrect amount received; received less than you expected; received more than you expected*. To provide an overview of the total problems experienced by mothers their responses to each of these questions were summed. These results are presented in Table 4.17. Overall, a much higher proportion of mothers who were receiving their payments through their employer experienced problems with their payments. Less than half (46 per cent) of mothers who received their payments through their employer experienced no problems with their payments, compared to 74 per cent of mothers who received their payments through Centrelink. The results show that the majority of mothers experienced only one or two problems, with very few experiencing three or more.

Table 4.17 Total number of problems with payments made by employer or Centrelink

Number of problems	Sector received payment through employer (per cent)	Sector received payment through Centrelink	All PLP recipients (per cent)
None	46	74	54
One	26	20	24
Two	21	4	16
Three	6	1	4
Four	2	1	2
Five	<1	0	<1
Total	100	100	100
N ^a	469	195	664

^a Analysis was run with the exclusion of 9 respondents who indicated they either received payment through both Centrelink and Employer, or did not know who they received payment through. This left a further 40 respondents who replied "don't know" to any of the five questions regarding problems with payments, and a further 87 who had not yet received payment.

Source: MoPE

Table 4.18 illustrates the specific problems mothers experienced depending on whether they received their payments through their employer or Centrelink. In total, 15 per cent of mothers reported having a payment skipped or not received at all, but this problem was mainly experienced by mothers receiving payments through their employer. Administrative data does not suggest that mothers are missing out on payments. These results may be due to several issues. While administrative data indicates that employers had received the payments to make to the mothers, it is possible that these payments may not have been made in full to the mothers or mothers may not have been properly or fully advised about the payments made. Alternatively, there may have been some confusion where, due to delays in payments, some mothers may receive an initial lump sum in arrears.

Around 33 per cent of the mothers in the MoPE survey reported not receiving one or more payments on time. A much higher proportion of mothers who received their payments through their employer (42 per cent) reported experiencing this problem. Most mothers reported receiving the correct amount, with less than 10 per cent reporting they did not receive the amount they expected, 9 per cent of mothers reported receiving less than they expected and 12 per cent of mothers reported receiving more than they expected.

Table 4.18 Problems with payments made by employer or Centrelink

Have you experienced any of the following problems with payments?	Sector received payment through employer (per cent)	Sector received payment through Centrelink (per cent)	All PLP recipients (per cent)
One or more payments skipped or not received at all ^a			
Yes	19	3	15
No	81	96	85
Don't know	<1	1	<1
Total	100	100	100
One or more payments not received on time ^a			
Yes	42	14	33
No	58	84	65
Don't know	1	2	1
Total	100 ^{ba}	100	100 ^b
Incorrect amount received ^a			
Yes	9	3	8
No	86	93	88
Don't know	5	4	5
Total	100	100	100 ^b
Received less than you expected			
Yes	11	4	9
No	87	93	89
Don't know	2	2	2
Total	100	100 ^b	100
Received more than you expected ^a			
Yes	12	10	12
No	86	87	87
Don't know	2	3	2
Total	100	100	101 ^b
N	499	205	704 ^c

^a Chi-square test indicates that this is significantly different at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

^c Analysis was run with the exclusion of 9 respondents who indicated they either received payment through both Centrelink and Employer, or did not know who they received payment through. This left a further 87 respondents who had not yet received payment.

Source: MoPE

4.4.5 Qualitative views of receipt and timeliness on payments

Of the 81 PPL mothers interviewed, 42 received payments through their employer, 34 received payments directly from Centrelink, and the remaining 5 did not specify or were not sure from whom they received payments. At least three of the mothers who received PLP through Centrelink had intended to do so through their employer. However, the employer experienced difficulties registering or linking in some way with the Centrelink system. A further two were confused as to whether their employer should be making the payments or whether it should be through Centrelink.

Most of the mothers who received their PLP payments through Centrelink were satisfied with the experience. The payments began within what was considered to be a reasonable timeframe and they were then received in regular payments in the correct amount. The statement sent from Centrelink detailing the amounts and times that the payments would be made was viewed as helpful.

There were other mothers, though, who did experience difficulties with the payments received through Centrelink. The main issue that mothers reported was a delay in the payments getting started. Some delays were simply processing times (of approximately four weeks), which were longer than the mothers expected. This may have been to do with mothers' misperceptions of when the payments would start after the birth. At least one mother noted that she would have liked to have been informed of the timeframe for when the payments would begin. Other delays appeared to be because of issues with the Centrelink computer system. One mother thought her payments were delayed (for about six weeks) because she specified in the application that her due date was in one tax year but her child was born in the following tax year, while another mother reported that her application was held in the system (again, for approximately six weeks) for no apparent reason.

The PLP payments made by employers were more problematic. This arrangement was susceptible to a broader range of issues, which required a great deal of effort from several of the mothers to resolve. Issues relating to delays in getting the payments started and problems relating to the payments themselves were the most common problematic experiences, and mothers often took actions to resolve these.

Like the mothers who received PLP directly through Centrelink, some of those receiving PLP from their employers experienced delays due to long processing times which included the establishment of the employer role. These mothers reported waiting up to ten weeks for the claim to be processed, the employer role to be established and payments to be sent through to their employers. The main response by these mothers was to follow up the matter with Centrelink, often calling them on several occasions in an attempt to hurry up the processing of their application.

Another issue faced by the mothers receiving PLP from their employers was a failure of their employer to register with Centrelink in a timely manner. One employer did not register because they thought it was Centrelink's role to make the payments. The mother involved felt like it was up to her to convince them otherwise:

I went to my employer and he said that paid parental leave is Centrelink's responsibility. I was like so frustrated because I didn't know what to do. I went to Centrelink and they told me to go back to my employer. I went to my employer, they said go back to Centrelink. [Mother Int # 086]

Some employers weren't keen to take responsibility for registering with Centrelink. This occurred in smaller workplaces where pay related issues were contracted out to another organisation. It also happened in larger organisations where identifying the right person to deal with the matter was difficult, as experienced by the mother below.

I started with the human resources assistant and then I spoke to the human resources manager. Then I spoke to our pay offices. Then I spoke to the pay offices manager, who said it's got nothing to do with them, you have to call central pay office for [name of organisation]. Then I spoke to two ladies at the central pay office who said that it's not their problem, I have to call the finance manager. So, I spoke to the finance manager who said 'Oh yeah, we're working it out. We'll let you know. We can't guarantee when'.
[Mother Int # 001]

In addition to these telephone calls, the mother quoted above also contacted Centrelink on several occasions in an effort to get her PLP payments underway.

There seemed to be some confusion about whether some of the employers had actually registered or not, with employers claiming that they had registered and Centrelink saying otherwise. This situation was difficult for the mothers because they were not sure which party was correct. In one case it appeared that an employer had registered, but had done so for one entity with a particular ABN while the mother worked for another part of the same organisational group that had a different ABN. In another case, the mother never became fully aware of the root cause of the problem, but had to tread very carefully in her efforts to resolve it. She noted that she had to be very polite to her employer when trying to ensure that they had correctly registered and not contact them too often.

I think that makes the trouble then later on to go back [to work], because that's still in their mind; oh she makes too much trouble and it's much, much more work with her. It's not worth it to take her back [Mother Int # 006]

While she knew her employer was legally required to hold her job for her, she was worried that he may change the hours that she worked – she started very early and then left early so that she could pick up her son from school – effectively making it impossible for her to do the job anymore. It took nearly four months for this mother to begin receiving her PLP payments from her employer.

The mothers described above only became aware that their employers hadn't registered with Centrelink when they themselves started to investigate why there was a delay with their payments. One mother noted that she would have liked to be informed before the birth of her child that her employer hadn't registered. This would have assisted her receiving the payments on time. In general, the mothers perceived the onus to be on them to resolve the issue. This took a lot of time and effort, both contacting their employer and also liaising between their employer and Centrelink. In some cases, there were distinctive power imbalances between the mothers and their employer that made these interactions particularly difficult.

There were two further cases of delayed payments for the mothers receiving PLP through their employers: one due to the employer not knowing how to deal with the payments from Centrelink and the other case due to tardiness on the part of the employer in getting the payments underway.

On top of the delays detailed above, a few mothers also noted that once the PLP money had been sent through from Centrelink to their employer, they had to wait another week or two for the work pay cycle before they received the payment. This further delay, while not necessarily a long period in itself, did tend to exacerbate the frustration and financial stress that the women were experiencing.

The other main area of concern to mothers who received PLP payments through their employers was with the payments themselves, in particular the amount and timing of the payments.

Some of the mothers reported they had not been paid all of the payments they should have or had been paid an amount less than they should have. One of these mothers reported that her employer informed her that he only has to pay her 16 weeks. The mother advised she contacted Centrelink who told her that because they had done their job delivering 18 weeks of payment to her employer, they couldn't do anything else to help her. She was referred on to the Fair Work Ombudsman. The employer of another mother was experiencing cash flow difficulties. He hadn't made a number of the PLP payments. The mother affected stated:

I think the scheme is great, but I think it'd be better if it didn't go through the employers because it's open to not receiving it on time, or receiving the wrong amount. I know [the employer] wasn't very happy having to work it all out and work out how to put it through the payroll, that sort of thing. [Mother Int # 022]

A further two mothers had reported receiving less money in one or more payments than they were due. One of these mothers would have liked to check how much she had been paid in total, but was not able to access her work payslips while she was on maternity leave as they were only accessible via her work intranet. Finally, two mothers reported having to phone up their employers before each payment was due to remind them to make the payment. They had both experienced their employer failing to make payments.

With respect to the timing of the PLP payments, one mother received them sporadically from her employer, making it difficult for her to budget. She had simply assumed that she would receive them fortnightly in line with the usual pay cycle and did not discuss it specifically with her employer. Further, at least four mothers received the PLP payments at the same time they received employer maternity pay when they would have preferred them to be paid consecutively. In two cases this did not appear to be a deliberate strategy by the mothers but rather a miscommunication between employers, Centrelink and mothers. One mother deliberately chose to receive both at once, not really realising the tax implications of this. One mother received PLP payments and was topped up by her employer, but this strategy meant that she paid more tax than she usually would and felt that she did not receive the full PPL benefit.

Reflecting on the experiences of the mothers who received PLP through their employer, two key points become clear. Firstly, the mothers felt that it was their responsibility to try to deal with the issues that arose with their employer. Most did not feel that Centrelink was taking on this role. The mothers themselves were the ones making an effort to ensure they were paid. Secondly, from the mothers perspectives there did not appear to be sufficient incentives (or checks in place) to ensure that the employer did their part. In many cases, it was not until the employers' (in)actions had a negative impact on the mothers' receipt of PLP, and the mother raised the issue, that the employer was identified as problematic and steps taken by Centrelink to remedy the situation.

Certain mothers were more likely to experience issues relating to the receipt of their PLP payments. These groups were Aboriginal and Torres Strait Islander and CALD mothers and single mothers. Interestingly, the mothers employed on casual contracts who received PLP through their employers did not experience any greater difficulties than the mothers on permanent contracts who received PLP through their employers.

Mothers with Aboriginal and Torres Strait Islander or CALD status were more likely to experience problems receiving PLP through their employers compared with mothers who were not from either group. This was due in part to the fact that the combined number of Aboriginal and Torres Strait Islander and CALD mothers in the interview sample who received PLP through their employer was more than twice the number of

non-Aboriginal and Torres Strait Islander or non-CALD mothers receiving PLP through their employer. The majority of this latter group received their payments directly from Centrelink.

Beyond this, though, the difficulties that the Aboriginal and Torres Strait Islander and CALD mothers experienced when receiving PLP through their employer were much more likely to be due to the employer compared with the other mothers receiving payments in this same way. It was the employers of Aboriginal and Torres Strait Islander and CALD mothers who were slower to register, slower to pay, needed reminding to pay, were more likely to pay incorrect amounts or even refused to pay. As a result, the Aboriginal and Torres Strait Islander and CALD mothers were more likely to suggest that the payments should be made directly through Centrelink. In contrast, the difficulties of the other mothers who received payment through their employer were perceived to be the result of delays at the Centrelink end or confusion about registration. These employers were less likely to be, or at least didn't intend to be, the cause of delays.

Another group that experienced particular issues relating to the receipt of PLP payments were single mothers. The key issue for this group was the risk of financial hardship if the payments were not received in a timely manner. There appeared to be varying levels of reliance on the money received through PLP for the single mothers. But some were wholly relying on them as a source of income after the birth of their child. These mothers tended to apply for PLP early in an attempt to organise their finances as best they could. Even what may be completely satisfactory periods before the payments started for other mothers, could prove difficult for this group. A single mother who received her payments 20 days after submitting the documentation after the birth of her child stated:

I don't have – he's not around, so no one – like I couldn't ask mum to support me. So I had car payments and stuff I had to make. So that was a bit hard – make car payments and things and buy everything else as well.
[Mother Int # 025]

Similarly, a mother who waited two to three weeks for her payments spoke of having "rent to pay" and "three other kids to feed" [Mother Int # 046].

One single mother experienced the extreme situation of her child being three months old before receiving a payment. This mother was informed that she needed to supply a birth certificate to prove the birth of her child. This was problematic for her because the father was refusing to sign the certificate. It is not clear why this mother did not use the proof of birth form that would have been provided by the hospital (A number of other mothers reported that they did not need to supply a birth certificate to receive their payments because the hospital had provided all the forms required). The result was great financial hardship and high levels of stress. The mother stated:

I was on the phone to Centrelink almost every single day for three months. I had to go to the Salvation Army for food vouchers. It was a really dreadful time in my life ... and this was meant to be a joyous time. [Mother Int # 004]

The mother was aware that most people would be able to provide a birth certificate and that she did not fit easily with Centrelink's procedures and requirements. However, despite her best efforts in explaining the situation to Centrelink, she felt helpless.

You know, at no time did I feel that [Centrelink] people went out of their way to try and sort of help me in any way. So I was on the phone to them every single day and saying 'this is the circumstances', you know, 'I don't have any money to live off. This is what I have to do to try and get food' ...

it wasn't taken seriously ... it's been really, really frustrating, upsetting, distressing. [Mother Int # 004]

This mother's experience highlights the vulnerability of some single parents. She had planned for and was relying on the PLP payments. When these did not come through as expected it had serious financial repercussions.

Despite the difficulties described above, the vast majority of mothers were very appreciative of the PPL scheme. It was perceived as alleviating some of the financial strain that can occur with the birth of a child. Several mothers also reported that PLP gave them the financial means to stay at home longer with their child. These mothers fell within a range of income levels. One higher earning mother, who was the primary income earner for her family, noted that it enabled her to delay her return to work because at least some money was coming in on her behalf. In only a very small number of cases did the PPL scheme influence the amount of time fathers took off work at the time of the birth. One mother reported that it did prompt her husband to take one week of unpaid leave. However, because it took a few weeks for the PLP payments to begin, when they thought it would start almost immediately, the household did suffer some financial stress. A small number of mothers noted that PLP meant they were able to have children earlier than they thought. Otherwise they would have delayed childbearing until they were in a stronger financial position. Some mothers would have liked the PLP payments to run for a longer period of time. One mother, for example, thought that providing six months of PLP payments would assist women to meet guidelines of breastfeeding their children for this period.

4.4.6 Section Summary

The majority of mothers applied for PLP before the birth of their baby (85 per cent), with only 4 per cent applying late in their pregnancy and 15 per cent applying after birth. In terms of how easy they found the application process, the mothers were divided. Only a very small proportion had a neutral opinion, and while the majority of mothers had no problems, a significant proportion did not find the process easy. In particular those who lodged a paper claim in person at a government office had more trouble with the application process than those who applied online, although it should be noted that this is possibly because women who were having trouble sought help in an office. The qualitative interviews provide some insights into the problems experienced by mothers. First, many mothers found the application form itself long, repetitive and some of the questions were difficult to answer. Secondly, the overwhelming majority of mothers had applied prior to the birth of their baby and many mothers were confused by the additional requirements for proof of birth that were required before the payments could be received. Some mothers felt they had to end up going through the whole application process again. Some mothers, particularly single mothers, found it difficult to juggle a new baby and meeting the paper work requirements for receiving their payments on their own.

The majority of mothers receiving PLP took the full 18 weeks of entitlements. A small proportion took less, but as the amount of PLP taken reduces there is more chance that the Baby Bonus will be a better financial option for the family. Almost all mothers took the PLP payments themselves (97 per cent), with only a few transferring payments to their partners.

The MoPE survey was conducted after the full implementation of the PPL scheme which occurred on 1 July 2011, when employers became responsible for providing PLP to their eligible long-term employees. The majority of mothers (73 per cent) had received their payments through their employer. However, there was significant variation in whether mothers received their payments from Centrelink or their employer depending on the type of employment contract they held. Most mothers on

permanent or fixed term contracts received payments through their employers, while, in contrast, the majority of mothers on casual contracts or in self-employment received their payments through Centrelink.

The survey data indicate that those receiving payments through their employers reported experiencing more problems with their payments including skipped payments, late payments and incorrect amounts. This was strongly supported by the qualitative interviews with mothers. The common issues identified by all mothers irrespective of whether they received payments through employers or Centrelink were the sometimes very lengthy delays in receiving payments. These delays caused high levels of distress for some mothers, particularly single mothers. Several suggested that an indication of the time required to process payments might help manage expectations with respect to the timelines of payments. Those receiving payments through their employers tended to report more problems and the interview data in particular suggest that employers of Aboriginal and Torres Strait Islander and CALD mothers were slow to register and pay, needed reminding to pay, paid incorrect amounts and in some instances refused to pay. In general these mothers felt that they got little support or assistance from the government in dealing with their employers. For some the experience of receiving PPL for their baby was stressful and distressing.

Centrelink advises that payment delays can have a number of causes, including claim processing delays, incomplete claim forms, late lodgement of claim forms, incorrect employer information in the claim form, employers not promptly accepting their role in the scheme for a particular employee, and the need to align the transfer of funds to an employer with the individual parent's pay cycle. It should be noted that throughout 2012 Centrelink introduced a number of changes to help improve payment timeliness, including improved communications with parents and employers about claim requirements and establishing the employer role, and improved claim processing arrangements. PPL payment timeliness will be monitored on an ongoing basis.

4.5 Keeping in Touch days

Under the PPL scheme there is provision for employees to "Keep in Touch" (KIT) with their employer before the end of their PPL period, without losing their entitlement to payment, in order to facilitate their return to work for that employer. Paid work activities such as conferences, planning days, workshops or training days, or on-the-job training would meet the requirements for a KIT day. In addition, a KIT day must be agreed upon by both the mother and her employer, mothers can take up to 10 KIT days without losing their PLP entitlements, and they must be paid for those days.

Overall, awareness of the KIT provision was low amongst the MoPE sample. In Table 4.19, only 42 per cent of mothers who took PLP indicated they were aware of the provision.

Table 4.19 Awareness of KIT days (PLP recipients)

Were you aware of KIT provisions?	Per cent
Yes	42
No	58
Don't know	<1
Total	100
N	800

Source: MoPE

In Table 4.20, mothers' reports of whether or not their employers had structured provisions in place for KIT days are presented. Of the mothers who had heard about KIT, only 23 per cent said their employers had put in place a structured program.

Table 4.20 Employer or business program for keeping in touch

Does your employer/business have a structured program in place for keeping in touch?	Per cent
Yes	23
No	65
Don't know	11
Total	99 ^b
N ^a	332

^a Total: number of PLP recipients who were aware of the KIT provisions.

^b Does not equal 100 per cent due to rounding.

Source: MoPE

Table 4.21 Mothers' use of KIT provisions

Have you used the KIT provisions?	Per cent
Yes	29
No	71
Total	100
N	332
How many days have you returned to your workplace under the KIT provisions?	
One day	30
Two days	23
Three days	14
Four or more days	25
Don't know	8
Total	100
N ^a	96
Are you planning to use the KIT provisions sometime in the future?	
Yes	26
No	68
Don't know	6
Total	100
N ^b	236

^a Total number of PLP recipients who indicated they had used KIT provisions

^b Total number of PLP recipients who had not yet used KIT provisions.

Source: MoPE

Table 4.21 shows whether mothers had used the KIT provisions, or were planning on using the provisions. Of the mothers who had heard about the provisions, only 29 per cent (n = 96) had used a KIT day. Most of those mothers (67 per cent) had used 3 days or less, and only 8 mothers had used the full allocation of 10 days. Of the

mothers who had heard of KIT but had not used a KIT day, 26 per cent (n = 61) planned to use one in the future.

4.5.1 Qualitative views on KIT

More than one-half (58 per cent) of the mothers interviewed were not aware of the KIT provisions. Even amongst those who had heard of the provisions, many were not sure about how they operated.

A small number of the mothers, though, did use the KIT days. These mothers generally found the contact they had with their employer to be beneficial. For example, the KIT days enabled one mother to assist her employer with certain tasks and keep her connected with her workplace, while a few other mothers attended meetings and training sessions. In addition, a self-employed mother undertook some permissible work to help keep contact with her clients, and therefore help her business to keep going, during her leave period.

Despite only a minority of mothers using the KIT days, almost half actually had some contact with their employer while they were taking PLP, which did not include formal KIT provisions as provided for under the PPL legislation. These mothers maintained contact using pre-existing practices of their employers. For example, one organisation regularly informed a mother of developments in the business. The most common way that contact occurred, though, was informal. Mothers would either go into their employers' workplace or phone or email to catch up with colleagues and introduce her baby to them.

A few mothers commented that the KIT provisions weren't relevant to them. They considered that their job's roles would not change or develop in their absence so there was no need to communicate with their employer. A few other mothers reported that they were either too busy or not interested in having contact with their employer while they were on leave.

4.5.2 Section Summary

Overall, there was a low level of general awareness of the KIT provisions, and uptake of KIT was limited. Few mothers knew about the scheme and, according to the mothers' reports, even fewer employers had any formal keeping in touch programs in place. This aspect of the scheme was not emphasised in much of the documentation, and some inconsistencies between the PPL scheme and the existing unpaid parental leave entitlement under the National Employment Standards were identified. The KIT provisions encouraged and enabled mothers to resume work activities, in a limited manner, to assist with their transition back to work. However under the unpaid parental leave provisions in the National Employment Standards, if mothers returned to work at any point during that unpaid parental leave time then their entitlement could be cancelled. This inconsistency has recently been rectified with a modification to the Fair Work Act 2009 to include KIT provisions.

4.6 Forms of leave taken around the birth

The PPL scheme provides a payment but it does not provide leave. PLP complements employees' access to paid and unpaid leave.

The PPL scheme was introduced to provide greater coverage and access to time away from work with pay for working mothers around the birth of their child. Prior to the scheme it was estimated that less than half of working mothers had access to some form of paid parental leave. The results of the Phase 1 survey (Baseline Mothers Survey (BaMS)) indicated that working mothers often cobbled together

multiple forms of paid and unpaid leave to get some time off after the birth of their child (Martin et al 2012:32-34). After the introduction of the scheme it was expected that many mothers would retain their access to these forms of leave. This section of the report provides an overview of the forms of leave that mothers had access to and used. This is necessarily an incomplete picture of all leave mothers will use because the majority of mothers were still on leave at the time of the survey.

Table 4.22 describes access to and usage of forms of unpaid and paid leave, including employer paid maternity leave, unpaid maternity leave, paid holiday, long service or sick leave, or other leave without pay. The analysis separates PLP and BB mothers to establish the types of leave mothers were taking. Overall, BB mothers had lower levels of access to all types of leave. Indeed, 27 per cent of BB mothers did not have access to any form of leave, compared to 9 per cent of PPL mothers.

In relation to employer paid parental leave, a greater proportion of PPL mothers (43 per cent) had access to employer paid parental leave than BB mothers (26 per cent). Of those mothers who had taken employer paid leave, PPL mothers had on average taken about half a month longer than BB mothers. With regards to statutory unpaid leave, just under half of the BB mothers (43 per cent) perceived that they did not have access to unpaid leave. This is consistent with results from the Phase 1 Report which also indicated that a high proportion of mothers thought they were ineligible for statutory unpaid leave, but the report also showed that there was a gap between mothers' actual eligibility and their perceptions of their eligibility (Martin et al 2012:18-24).

With regards to other types of leave, only a small proportion of mothers had access to other unpaid leave, although relative to BB mothers a greater proportion of PPL mothers did have access. Moreover, PPL mothers who did have access had taken a longer amount of time. BB mothers also had lower levels of access to paid holiday, long service and sick leave. However, when they had access to holiday and sick leave BB mothers had taken slightly longer amounts of time than PPL mothers.

Table 4.22 Paid and unpaid leave taken around birth

Type of leave taken	PPL mothers (per cent)	BB Mothers (per cent)
Access to Employer paid maternity/parental leave ^a		
No	57	74
Yes	43	26
Total	100	100
Mean (months)	3.12	2.59
Access to Unpaid maternity/parental leave ^a		
No	24	43
Yes	76	57
Total	100	100
Mean	4.61	4.27
Other leave without pay		
No	67	76

Yes	33	24
Total	100	100
Mean	3.94	1.68
Paid holiday or annual leave ^a		
No	31	59
Yes	69	41
Total	100	100
Mean	0.82	1.11
Paid long service leave ^a		
No	72	87
Yes	28	13
Total	100	100
Mean	2.17	2.07
Paid sick leave ^a		
No	58	78
Yes	42	22
Total	100	100
Mean	0.40	0.94
Unable to access any type of leave ^a		
No	91	73
Yes	9	27
Total	100	100
N	800	101

^a Chi-square test indicates that this is significantly different at $p < 0.05$

Source: MoPE

4.6.1 Qualitative views on paid and unpaid leave taken around the birth

Consistent with the survey data and that found in BaMs, the mothers interviewed cobbled together a variety of paid and unpaid leave around the time of the birth. The forms of paid leave taken included annual (holiday) leave, long service leave, sick leave and, for some, employer provided paid parental leave. Some of this leave was taken before the mothers gave birth to their child. The mothers didn't appear to experience any difficulties in being granted such leave. Similarly, receiving unpaid leave seemed equally unproblematic. None of the mothers who received PLP reported any difficulty in taking unpaid leave to cover the period during which they received these payments. Further, none of the mothers (whether they received PLP or BB) noted any issues taking unpaid leave of up to one year around the birth of their child. Indeed, a small number of employers allowed the mothers to take a longer period than this if they so wished, it is likely that this extension fell under the National Employment Standards (NES) award.

4.7 Fathers who took PLP

Overall, there were very few transfers of PLP from mothers to fathers. In total there were eleven fathers in our sampling frame of families who had babies in July and August 2011 that were receiving or approved to receive PLP. These fathers were not included in the MoPE survey, but were approached by letter to participate in in-depth qualitative interviews. Seven fathers who took PLP were interviewed. Six of them received all 18 weeks of the PLP payments, while the other father received the majority of the payments and his partner received the other available instalments. The fathers were all in a relationship with the mother of their child, either being married or cohabiting. Two of the fathers had CALD status. None was Aboriginal and Torres Strait Islander. In terms of their paid work lives, six of the fathers were employed on permanent contracts (all but one was in the private sector). The other father was self-employed. The fathers tended to be well educated, with five having completed a tertiary degree. The other two had completed high school.

The fathers gave a variety of reasons for taking PLP. Relevant factors included the needs of the mother, the mother's job, and a desire of the father to participate more in family life, particularly if there were other children in the household. One father's partner was disabled. Accordingly, the father needed to be at home to help with the baby and household related tasks. Four fathers noted that their partners had very good jobs, sometimes earning more than them or being on a career trajectory that made it difficult to take time out. One of the mothers had recently started her own business. The fathers who already had one or more children before the birth of the baby for whom they received PLP all mentioned the importance of being able to spend time with their children. Three of these fathers, in particular, had previously taken on significant roles in the raising of their other children: one taking a year out from the labour market, the second working part time, and the third being a single parent to his child.

It should be noted that in at least three of the seven households the mother was at home either full or part time while the father was taking PLP.

All of the fathers' employers seemed to accept the fathers' decisions to take PLP. Some employers understood why the father was doing this, for example the employer of the father who had a disabled wife and the employer of the father who had previously raised a child as a single parent.

Three employers, however, did make the overall process difficult. Two of them did not register or communicate sufficiently with Centrelink in a timely manner. The end result in both cases was that the PLP payments were made by Centrelink. One of these employers also declined the father's request to take all of his holiday leave around the time of the birth. The father noted: "I think the reason they didn't want to do that is because they were 'well, you are taking 18 weeks off anyway'" (Father Int # 101). This response stands in stark contrast to employers of the mothers interviewed in the study. Almost all of the mothers applied to take all the holiday leave they had available to them around the time of the birth of their child. None had difficulties in this being accepted. Another father reported having difficulty accessing the company provided paid parental leave on offer to mothers and fathers by his employer. He concluded that human resources were concerned about paying fathers who were staying at home at the same time that the mother was at home and not working, which was not the case for him. He stated:

I actually had the HR manager tell my boss that it's not possible for a father to be the primary carer at time of birth, which is the way they described who was eligible for it. The mother would have to die in childbirth for a father to get the leave, and [they] didn't want to put that in the policy. ... I

was just persistent. I do have a very supportive boss, who was persistent as well, and several other managers who I have contact with, were quite surprised at that interpretation. [Father Int # 103]

The father did receive the company paid parental leave. In fact, the policy was changed to state that a father could assume the primary carer role within the first 30 days after the birth, making it easier for subsequent applications from other male employees.

Many of the fathers experienced some difficulty in applying for PLP. One father explained that he and his partner went to Centrelink and filled in the application there and then, with the whole process being completed in about an hour and with little effort. This case was an exception. Amongst the other fathers, two main recurring issues emerged. Firstly, the eligibility process requires the mother to first claim and be eligible for PLP, and then if she wishes, transfer some or all of the payment to her eligible partner. Where payments are being transferred, both mothers and fathers have to complete the claim and be eligible before all or part of the payment can be transferred to fathers. Each member of the couple needs to establish their individual eligibility in relation to the work, income, residency and primary carer tests, and provide other details required for payments to be made. There was some confusion over this process, for example, the perception was that the fathers had to fill in the application in the mother's name and then have it transferred to them (one mother did this and was subsequently told an application would also need to be completed in the father's name). Then fathers were confused by the requirement to have consent from the mother to take the PLP. The claim process for fathers was sometimes complicated, for example by Centrelink staff contacting a mother's employer about registering instead of noting that the father was taking the whole of the PLP. The second key issue was a perceived lack of knowledge amongst Centrelink staff about the correct procedure to follow when fathers take PLP. In addition, Centrelink staff provided conflicting advice to the fathers about how best to proceed with the application. Each time a father (or their partner) phoned a helpline they would talk to a different person, who often detailed a different explanation of what to do. Typically the fathers' applications only really progressed once they had a dedicated Centrelink staff member tracking its progress and when the father (or his partner) could contact that individual directly.

For most of the fathers, receiving the PLP payments went more smoothly. Five of the seven fathers received the PLP payments directly from Centrelink. No problems arose with these payments. The two fathers who received the payments through their employer did experience some issues. One of these fathers received payments of irregular amounts. He thought he was the first person in his organisation to take PLP and this was the result of initial teething issues. The other father was sharing PLP with his partner. She received some payments first from Centrelink and then he received the remainder from his employer. They were advised by Centrelink to set up a joint account for the payments to go into, so that the money went into the same account number for the whole duration of the PLP. However, the father reported that this actually seemed to complicate matters. In the transition to the father receiving the payments there were delays of approximately three weeks, due to inaction on the part of the employer. Centrelink also paid the employer all 18 weeks of the PLP payments, when the father intended to receive less than this. The father liaised with his employer and Centrelink to resolve all of these issues.

All of the fathers were positive about the PPL scheme and what it had meant for their families. The benefits included being able to spend time with their child(ren). This represented quite a change given that they had typically previously worked full time immediately prior to the birth. These fathers generally had previous parenting

experience; in only one case was the birth for which they took PLP their first child. For some, it also changed the time they spent with the family as a whole. Family life was no longer compressed into times when both parents were home from work. The benefits for the mother were noted. These included giving the mother a break from the domestic duties and/or a better sharing of the domestic load, and enabling the mother to return to work (this was particularly beneficial for one woman who had suffered postnatal depression with a previous child). Having that guaranteed income and thus enabling the fathers to have time out of the paid labour market also presented some fathers with the opportunity to reassess their future paid work plans and, more generally, their ongoing role in family life.

The fathers typically described the time they received PLP as enjoyable and also distinctly different from paid work in terms of the pace and pressures involved. The fathers presented themselves as confident in their abilities in childcare, particularly those who already had previous experience looking after their own children. There was a general acknowledgement by the fathers that they had increased the level of housework they undertook. One father even reported that they got rid of their cleaner and that he took over most of these duties. Another father had plans to undertake a number of outstanding larger scale household tasks, but never found the time. He noted that he had had to change his perspective about being at home with a child, reminding himself that childrearing is a constructive task in itself. At least two fathers participated in playgroups while on PLP, one of whom went to a group specifically for fathers.

The fathers' family and friends were generally supportive of the decision to take PLP. However, one father noted that his parents-in-law were surprised at the decision and even suggested that he might struggle to deal with the role. These family members were very pleased when the mother decided that she would stop work and combine childcare and study when the father returned to work. Another father reported that, while his male colleagues thought it was a good idea in principle, they couldn't do it themselves.

There appeared to be a slightly more mixed response to the fathers' decisions from the wider community. The quote below captures the feeling of acceptance or perhaps even indifference that some fathers reported:

I think people are very accepting of it ... I don't think anyone really raises an eyebrow and thinks that odd or different, or that's really good or that's really bad [Father Int # 106].

Yet two fathers noted that the assumption that raising children is a women's role persists.

I go into a shop with the baby in a pram in the middle of the day on Wednesday and the remark is always 'Where's Mum? Mum's got an appointment today or something?' And no, no, this is what I do. [Father Int # 103]

... a lot of [women] think 'Well, why are you doing it, why isn't your wife doing it?' I actually had one woman in the chemist one day tell me that I was ridiculous that I was taking my wife's role and was very put off by it ...

Well, I just find like a lot of the mums I knew from school already beforehand, before I took the leave, a lot of them were very chatty and what not. Then you know, you take the Paid Parental Leave and a lot of them sort of became like 'Shouldn't your wife be doing that?' You know, 'What's wrong with your wife, why did she go back to work?' Sort of yeah, it's a bit of a shock to a lot of people still. [Father Int # 107]

These comments highlight that people's response to fathers staying at home with young children is bound up both in ideas about a father's role, but also ideas about what a mother's role should be. Despite these comments, the fathers remained overwhelmingly positive about taking PLP.

4.8 Summary: Key Points

This section used survey data from 901 mothers who had babies in July and August 2011 to investigate the uptake, and experiences of the PPL scheme since the beginning of the mandatory employer role from 1 July 2011.

4.8.1 *Uptake of PLP*

In the first year of operation the PPL scheme there were around 130,000 PPL claimants. However, data from the MoPE survey indicate that not all mothers who were eligible for PLP applied for or accessed the scheme:

- It is estimated that around 17 per cent of PLP eligible mothers took BB rather than PLP
- BB mothers differed from PPL mothers on several social, demographic and work characteristics, including:
 - A higher proportion of BB mothers already had children in the household
 - A higher proportion of BB mothers were single
 - On average BB mothers worked fewer hours and earned less income than PPL mothers
 - A higher proportion of BB mothers worked on casual contracts or were self-employed
 - On average BB mothers tended to work for smaller employers
 - BB mothers were more likely to resign from employment at birth

4.8.2 *Awareness and Knowledge of the scheme*

Results from the MoPE survey indicate that the communication campaign was extremely successful, only 4 mothers who took BB had never heard of the PPL scheme prior to the birth of their baby, the rest of the mothers were aware of the PPL scheme. The results of MoPE show that:

- The majority of mothers first heard about the scheme via targeted Government advertising (42 per cent), and other non-advertising media such as newspaper, television and radio stories (26 per cent)
- Nearly 60 per cent of mothers used the Government website as the main source to obtain detailed information about the scheme, with government offices, such as Centrelink, the main alternative source.

4.8.3 *Deciding between PLP and BB*

Overall the PPL scheme was extremely popular with mothers, but as shown in Section 4.3, not all PLP eligible mothers took PLP, some decided to take BB.

The results of MoPE show that in deciding between taking PLP and BB:

- A higher proportion of BB mothers considered applying for PLP (75 per cent), than PPL mothers who considered applying for BB (37 per cent)
- For BB mothers the main reason for not applying for or deciding to take PLP was because they believed they were better off financially with BB, other

secondary reasons were that they didn't want to take the full 18 weeks of leave or thought they may not be eligible for PLP.

- For PPL mothers the main reason they chose PLP over BB was because they were financially better off with PLP, with secondary reasons including that they wanted a longer amount of time off with their baby and that they liked the regular payments provided by PLP. This suggests that mothers were confused about the Baby Bonus, as it has been paid in fortnightly instalments since 1 January 2009.
- Both the qualitative and quantitative data suggest that employers played a very minor role in mothers' decision processes about which payment to take, and when employers were involved they were largely supportive, with only 4 per cent of mothers who spoke to their employers indicating that they were not supportive.

4.8.4 *Mothers' Experiences applying for and receiving PLP payments*

Overall, mothers' experiences of PLP were very positive. The results of MoPE indicate that:

- Most mothers applied for PLP before their baby was born (83 per cent)
- Most mothers applied online (85 per cent),
- Mothers were, however, very divided in their opinions about how easy the application process was. Those who applied online found the claim process the easiest with 59 per cent agreeing that it was easy, and 38 per cent disagreeing that the claim process was easy. Mothers who lodged a paper claim on average found the claim process more difficult. But this may be because mothers who had trouble were more likely to go into an office to complete the claim form.
 - These results were supported by the qualitative interviews. While the majority of mothers experienced few or no problems, a large minority did find the claim process to be difficult. The main issues were to do with the length of the form, the information required to successfully complete the form and having to provide proof of birth. In some cases mothers reported being required to fill out duplicate information after birth, rather than just the supplementary information regarding their proof of birth.
 - CALD and single mothers experienced unique problems. The main problems that CALD mothers experienced were due to barriers with language and receiving help and advice with their applications. Single mothers experienced trouble with the logistics of completing additional paper work and lodging forms after birth and had to rely on parents or friends to help them.
- The vast majority of mothers (83 per cent) took the full 18 weeks of PLP, and 97 per cent of mothers received the full payments themselves (only 3 per cent of mothers transferred some or all payments to another primary carer)
- Overall, most mothers (73 per cent) received their payments through their employer
 - This varied considerably by contract type, where 15 per cent of mothers on permanent or ongoing contracts, 52 per cent of mothers on a fixed term contract, 73 per cent of mothers on casual contracts and 97 per cent of self-employed mothers received the payments through Centrelink. This should be 100 per cent, however, it is likely that there was one self-employed mother who processed her claim as both employer and claimant and therefore had employer paid PLP.

- Some 46 per cent of mothers reported at least one problem with their PLP payments
 - The problems reported by mothers included missed and skipped payments, late payments and receiving incorrect amounts.
 - Mothers receiving payments through their employer were more likely to report problems with their payments (54 per cent did) than those receiving their payments through Centrelink (26 per cent).
 - The qualitative interviews indicate that while the majority of mothers were extremely satisfied with the scheme, some mothers experienced high levels of hardship as a result of problems with payments.

4.8.5 *KIT Provisions*

Less than half of the mothers were aware of or had used the KIT days that were legislated as part of the PPL scheme. The results of MoPE suggest that:

- The majority (58 per cent) of mothers were not aware of the KIT provisions
- Of mothers who were aware of the KIT provisions, only 28 per cent had used them
- While the majority of mothers were not using the KIT provisions to participate in paid work activities while receiving payments, the qualitative interviews indicated that many mothers had kept in touch with their work place through less formal channels, such as visiting with their babies, or receiving regular email updates about changes in the business.

4.8.6 *Paid and unpaid leave around the birth*

The PPL Scheme was introduced to provide greater coverage and access to allow working mothers to take time off work with pay. Prior to the scheme less than half of working mothers had access to any forms of paid leave at the birth of their baby. MoPE found that in relation to forms of leave around the birth:

- There were large differences in leave taking between BB and PPL mothers
 - For all types of paid leave (employer maternity leave, holiday, long service and sick leave) and unpaid leave (statutory unpaid parental leave), BB mothers reported having less access. Overall, some 27 per cent of BB mothers were unable to access any type of paid or unpaid leave, compared to only 9 per cent of PPL mothers
 - A greater proportion of PPL mothers had access to employer paid leave than BB mothers
 - With regards to statutory unpaid parental leave, around 43 per cent of BB mothers believed they did not have access to unpaid leave, compared to only 24 per cent of PPL mothers.

The qualitative interviews show that mothers who did not have entitlements to unpaid parental leave generally had no problems negotiating time off with their employer in order to take PLP. A number of employers offered mothers longer if they wanted.

The sampling data received from Centrelink indicated that there were 11 fathers who had children born or adopted in July and August 2011 who had been approved to receive or who had received some or all of the PLP for the baby. The MoPE study interviewed 7 of these fathers about their experiences. While many experiences were similar to those for mothers, there were also some unique aspects to the fathers' experiences:

- The fathers tended to be highly educated, employed full time on permanent contracts

- The majority decided to take the leave following an assessment of what was best for the family as a whole and for their partner's needs (for example, one father had a partner with a disability).
- Some fathers experienced cultural prejudices from employers and the community.
 - Some employers were not flexible about other entitlements such as holiday leave
 - Some employers did not take the steps necessary to ensure the payments could be made through them rather than Centrelink
 - Some fathers found that their decision received mixed reactions from their family, friends and the community more broadly. These were mostly tied to perceptions about culturally appropriate roles of mothers and fathers during the first few months of a baby's life.
- All but one father experienced major problems with the application process:
 - For all fathers, the mother had to play a critical role in the application process as she had to transfer the entitlement. The whole process was set up around mothers as the primary claimant and both parents are required to claim in their own right.
 - Fathers' also noted that there appeared to be a lack of knowledge among Centrelink staff about what to do when fathers were applying.

5 EMPLOYER'S IMPLEMENTATION AND PROCESS EVALUATION

Mara A. Yerkes, Marian Baird, Alexandra Heron, Laetitia Coles and Judy Rose

Employers play a key role in the PPL scheme. This chapter focuses on employers' experiences in meeting their responsibilities under the Paid Parental Leave scheme. It begins by examining the existing leave provisions amongst the Employer Implementation Phase Evaluation (EIPE) sample of employers, and whether they made any changes to their HR policies and practices following the introduction of the PPL scheme. It then analyses how employers managed PLP in their organisation, including their experiences in sourcing information about PPL, registering for the scheme, and administering it. The chapter considers how employers managed PLP with their employees, including how information was provided to employees, what discussions took place, and how work was organized when employees took PLP. Finally, the chapter considers employers experiences with the KIT provisions of the PPL scheme.

The findings in this chapter are based on the Employers Implementation Phase Evaluation (EIPE) study, involving a survey of a stratified random sample of 501 employers who had provided PLP to at least one employee giving birth in July or August 2011 and applying for PPL. It also involves in-depth interviews with a purposive sample of 41 employers. Surveys and interviews were conducted between October and November 2011.

5.1 Employer Role

The employer role in the PPL scheme was optional for the first six months from the commencement of the scheme on 1 January 2011. This gave employers time to prepare prior to the introduction of the compulsory employer role on 1 July 2011. According to data from FaHCSIA, since the start of the scheme on 1 January 2011 more than 34,000 employers have registered to provide PLP to their eligible employees (as at 30 June 2012).

In the 2011-12 financial year more than 24,000 employers provided Parental Leave Pay to over 75,000 employees. Around 48.5 per cent of recipients were paid PLP by their employer.

5.2 Organisational policies and leave provisions

This section considers paid and unpaid leave provided by employers as well as any changes made to organisational policies and practices as a result of the implementation of PPL. A distinction is made between employers who have formal (documented) HR policies about leave for employees before or after the birth of a child and employers who do not have such formal policies, as this affects whether they have formally or informally arranged paid leave provisions. Two-thirds of all employers had formal, documented HR policies about leave for employees before or after the birth of a child and another 8 per cent were planning to develop these policies (Table 5.1). Some 21 per cent of employers did not have these formal HR policies and were not planning to develop them. Small employers (with less than 20 employees) were much less likely to have formal, documented HR policies about leave for employees before or after the birth of a child than medium (20-199 employees) and large (200 or more employees) employers. Indeed, some two-thirds of small employers did not have these policies.

Table 5.1 Formalization of HR policies about leave for employees before or after the birth of a child

Does business/organisation have formal, documented HR policies about leave for employees before or after the birth of a child ^a	Employer size Small (per cent)	Employer size Medium (per cent)	Employer size Large (per cent)	All organisations (per cent)
Yes, have formal policies	34	76	85	67
No, but planning to develop formal policies	18	3	5	8
No	42	18	6	21
Don't know/refused	6	2	4	4
Total	100	100	100	100
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

Note: Data weighted by employer size.

Source: EIPE

5.2.1 Formally arranged paid leave

According to EIPE survey data, overall 36 per cent of employers offered some form of formally arranged paid parental leave, including paid maternity leave, paid paternity leave and/or paid primary carer's leave (leave for mothers or fathers to care for children after birth). Looking at the type of leave provided by employers (Table 5.2), employers were most likely to offer paid maternity leave: 31 per cent of all organisations offered mothers paid time off from work either prior to or following birth. Employers differed significantly in the provision of paid leave both across size and sector (Tables 5.2 and 5.3). More than half (58 per cent) of large employers offered paid maternity leave versus 23 per cent of medium and 11 per cent of small employers. Similar differences are apparent for paid paternity and primary carer's leave. Just under two-thirds (64 per cent) of employers offered no form of paid leave. Again, this differs across employer size; 73 per cent of medium and 85 per cent of small employers had no employer-funded paid leave.

Employer-paid leave, in particular employer-funded maternity leave, was most often available to employees working in the public sector (Table 5.3). More than four-fifths (87 per cent) of government businesses or organisations offered paid maternity leave in comparison to 45 per cent of not-for-profit organisations and 20 per cent of private, for-profit businesses.

Table 5.2 Employer-paid leave by organisational size

Business/organisations offering	Employer size Small (per cent)	Employer size Medium (per cent)	Employer size Large (per cent)	All organisations (per cent)
Paid <i>maternity</i> leave ^a	11	23	58	31 ^b
Paid <i>paternity</i> leave ^a	7	16	43	23 ^b
Paid <i>primary carer's</i> leave ^a	4	10	26	14 ^b
No employer-funded paid leave provided ^a	85	73	36	64 ^b
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at P<0.05.

^b Employers can offer multiple types of paid leave, therefore the percentages do not equal 100 per cent.

Note: Data weighted by employer size.

Source: EIPE

Table 5.3 Employer-paid leave by sector

Business/organisation offering	Private 'for profit' sector (per cent)	Private 'not for profit' sector (per cent)	Government sector (per cent)	All organisations (per cent)
Paid <i>maternity</i> leave ^a	20	45	87	31
Paid <i>paternity</i> leave ^a	14	32	67	23
Paid <i>primary carer's</i> leave ^a	9	18	44	14
No employer-funded paid leave provided ^a	76	49	8	64
N	348	103	49	501

^a Chi-square test indicates that this is significantly different across sector at P<0.05.

Note: Data weighted by employer size.

Source: EIPE

Availability of formally arranged paid leave by industry is listed below (Table 5.4). In several female dominated industries (DEEWR, 2012), very few employers offered employer-funded paid leave. For example 86 per cent of employers in Accommodation and Food Services, 74 per cent of employers in Administrative and Support Services and 62 per cent of employers in Healthcare and Social Assistance offered no employer-funded paid leave. In contrast, 50 per cent or more of employers in five sectors (Electric, Gas, Water & Waste, Finance & Insurance, Public Administration & Safety, Education & Training and Arts & Recreation) offered paid maternity leave. Indeed, 75 per cent of employers in the Electric, Gas, Water & Waste and 77 per cent of employers in the Public Administration & Safety industries offered paid paternity leave. Only a small percentage of employers offered paid primary carer's leave.

Table 5.4 Employer-paid leave by industry

Industry	Offer paid maternity leave ^a (per cent)	Offer paid paternity leave ^a (per cent)	Offer paid primary carer's leave ^a (per cent)	No employer-funded paid leave ^a (per cent)	N
Agriculture/Forestry/ Fishing	18	18	0	82	4
Mining	37	25	12	63	6
Manufacturing	19	15	6	77	47
Electricity/Gas/Water/ Waste Services	100	75	0	0	3
Construction	22	22	22	66	14
Wholesale Trade	14	14	3	82	25
Retail Trade	9	2	0	83	49
Accommodation/Food Services	5	5	9	86	17
Transport/Postal/ Warehousing	42	20	20	58	12
Information media/ Telecommunications	21	21	10	79	8
Financial/Insurance Services	50	47	30	43	25
Rental Hiring/Real Estate Services	8	0	14	78	9
Professional/Scientific/ Technical Services	30	19	14	66	74
Administrative/Support Services	23	20	12	74	25
Public Administration/Safety	87	77	37	6	23
Education/Training	65	44	21	35	34
Healthcare/Social Assistance	33	24	17	62	103
Arts/Recreation Services	60	0	0	40	3
Other	28	14	16	65	19
All organisations (per cent)	31	23	14	64	501

^a Chi-square test indicates that this is significantly different across industry at P<0.05.

Note: Data weighted by employer size.

Source: EIPE

Reasons given by employers during the interviews for not providing paid maternity, paternity or primary carer's leave varied. As one interviewee from the pest control industry explained:

I think it just happened because there was no one, actually no advocate of this in the human resources I think... Because someone needs to take initiative and put together a business case and go with it to prove to

businesses [it] is worthwhile. [Employer # 30003156, large, private sector employer, pest control]

Another employer noted:

Interviewee: *Well, I guess it was just a business decision...where to start?*

Facilitator: *About costs?*

Interviewee: *Yeah, I guess that's just a business policy, was not to have paid parental leave.* [Employer # 30003343, large, private sector employer, social assistance services]

One employer explained:

[...]we haven't had younger employees, young women.... For a good long service employee, I'm sure they would have initiated something. [Employer # 20002461, medium, private sector employee, hardware wholesale]

5.2.2 Eligibility for leave

This section looks at what employees have to do to be eligible for employer-funded leave, including whether eligibility is dependent upon a qualifying service period and if so, the average number of months required. Almost all paid leave offered by employers was dependent upon a qualifying service period, although this requirement differed across leave types and across sectors (Table 5.5). Of all private, for-profit businesses that provided paid maternity leave, 12 per cent offered such leave to employees without a qualifying service period, and only 2 per cent of government organisations that offered such leave had no qualifying period. Of those organisations that did have a qualifying period, the average length of service required was 12.7 months, however this varied across sectors. The public sector had the lowest average qualifying service period of 11.6 months and the private for-profit sector had the highest average qualifying service period of 13.1 months. Where they did exist, the average qualifying service period was slightly lower for paid paternity (12.3 months on average) and paid primary carer's leave (11.6 months on average). The qualifying service periods for these forms of paid leave did not vary across sector.

Table 5.5 Qualifying service period requirements by sector, maternity leave

Type of leave	Qualifying service period required	Private 'for profit' sector (per cent)	Private 'not for profit' sector (per cent)	Government sector (per cent)	All organisations (per cent)
Maternity ^a	Yes	87	98	96	93
	No	12	0	2	6
	Don't know	2	2	2	2
	Total	100 ^b	100	100	100 ^b
	N	68	46	43	157
	Average months	13.1	13.1	11.6	12.7
Paternity ^a	Yes	89	89	82	87
	No	9	8	12	9
	Don't know	2	3	6	4
	Total	100	100	100	100
	N	49	33	33	115
	Average months	12.6	12.3	11.9	12.3
Primary Carer's ^a	Yes	76	69	74	74
	No	21	31	26	25
	Don't know	4	0	0	2
	Total	100 ^b	100	100	100 ^b
	N	31	18	22	71
	Average months	12.2	11.2	11.0	11.6

^a Chi-square tests indicate that this is not significantly different across Sector.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

5.2.3 Employer-provided leave duration

Eligibility for employer provided leave was not only dependent upon a qualifying service period but also upon the kind of contract on which workers were employed (Table 5.6). The EIPE survey data show that permanent and ongoing employees consistently had the most access to employer-provided leave across all sectors. In addition, the EIPE survey demonstrates that a large majority of employers in the public sector offered their fixed-term employees maternity leave (76 per cent), paternity leave (85 per cent) and/or primary carer's leave (67 per cent), which is significantly higher than the proportions of private and not-for-profit employers who offered these types of leave to their fixed-term employees. Casual employees, and to a much lesser degree independent contractors were, in some cases, also eligible for leave according to the respondents in the EIPE survey.

Table 5.6 also indicates the percentage of employers who offered employer-provided paid leave to various employee types, including permanent/ongoing, casual, fixed-term and independent contractors, the minimum and maximum number of weeks they were eligible for and the average (M) number of weeks of leave available to each employee type, across private, not-for-profit and public sector employers. Public sector employers offered the longest average duration of paid maternity leave and in many cases also the highest average duration of paid paternity and paid primary carer's leave. The exceptions to this, where employees were offered longer leave, include paid paternity leave duration for casual and fixed-term employees in the private sector, and paid primary carer's leave duration for casual employees in the private sector.

Table 5.7 shows rates of pay for employer-paid leave. Almost all employers paid employees at normal rates of pay when they were on paid maternity leave. Public sector employers were most likely to provide maternity leave at normal rates of pay to all mothers who were eligible for it, but even in the private sector over 90 per cent of organisations that offered paid maternity leave to permanent and fixed-term employees did so at the normal rate of pay. In addition, three-fourths of public sector employers allowed employees to take maternity leave at half rates of pay, thereby doubling leave duration. This decreased to about half of employers in the private sector. In regards to paid paternity leave, almost all employers across all sectors that offered paid paternity leave did so at normal rates of pay. No more than half of employers in any sector, however, allowed fathers to take paternity leave at half rates of pay. Similar to paid paternity leave, around 50 per cent of employers allowed paid primary carer's leave to be taken at half rates of pay, with the exception of two employers with casual employees in the public sector. Lastly, almost all employers offered paid primary carer's leave at normal rates of pay.

The EIPE data presented in Table 5.7 also indicate that a large proportion of employers allowed employees to continue to accrue employer superannuation contributions while on maternity leave: 78 per cent, 70 per cent and 58 per cent respectively of public, private and not-for-profit sector employers continued to provide superannuation contributions for permanent and ongoing employees while they were on paid maternity leave. The continuation of employer superannuation contributions if employees were on paid paternity leave or paid primary carer's leave varied across sector and employee type. For permanent employees, about three quarters of both public and private sector employers that offered paid paternity leave continued superannuation contributions during such leave.

Table 5.6 Leave duration by sector and employee type

Sector	Employee type	Maternity Leave ^a				Paternity Leave ^a				Primary Carer's Leave ^a			
		Per cent	Min	Max	M	Per cent	Min	Max	M	Per cent	Min	Max	M
Private	Permanent / Ongoing	100	1	20	10	100	0.6	18	4 ^d	100	0.4	18	9 ^d
	Casual	22	3	18	10 ^c	27	0.6	16	5	20	12	18	14 ^d
	Fixed-term	38 ^f	4	18	12	34 ^g	1	18	7	38	2	13	10 ^d
	Contractor	4 ^b	12	12	12	52 ^b	1	1	1	0	-	-	-
NFP	Permanent / Ongoing	100	4	18	10	100	1	14	4	100	0.4	14	6
	Casual	21	6	14	10	16	1	6	3	12	6	14	10
	Fixed-term	58 ^f	4	14	10	55 ^g	1	14	4	46	1	14	7
	Contractor	9 ^b	14	14	14	0	-	-	-	0	-	-	-
Public	Permanent / Ongoing	100	3	28	13 ^c	100	0.6	24	6 ^d	100	1	20	10 ^e
	Casual	32	9	18	13	22	1	3	2	16	6	18	12
	Fixed-term	76 ^f	3	28	15 ^c	85 ^g	1	24	6 ^c	67	1	20	10 ^d
	Contractor	6 ^b	14	14	14	0	-	-	-	0	-	-	-

^a For each leave type, Table 5.6 lists the percentage of employees eligible for the leave in that sector, the minimum and maximum number of weeks of leave they are entitled to, and the average number of weeks of leave available to them.

^b N=1 employer. ^c One or two employers answered "don't know" therefore one or two observations are missing. ^d Three observations missing as 3 employers answered "don't know" to length of time.

^e Five observations missing as 5 employers answered "don't know" to length of time

^f Chi-square tests indicate that Maternity Leave eligibility is statistically significant for fixed-term employee type across Sector at P<0.05.

^g Chi-square tests indicate that Paternity Leave eligibility is statistically significant for fixed-term employee type across Sector at P<0.05.

Note: All percentages in this table are weighted by employer size. All minimum, maximum and averages listed used unweighted data.

Key: NFP = a Not-for-profit organisation.

Source: EIPE

Table 5.7 Leave remuneration and superannuation contributions, by sector and employee type

Sector	Employee Type	Eligible for Paid maternity leave			Eligible for paid paternity leave			Eligible for primary carer's leave		
		NRP (per cent)	HRP (per cent)	S (per cent)	NRP (per cent)	HRP (per cent)	S (per cent)	NRP (per cent)	HRP (per cent)	S (per cent)
Private	Permanent or Ongoing	93	47	70	94	36	74	96	42	89
	Casual	82	52	61	66	25	58	42 ^b	42 ^b	71 ^c
	Fixed-term	91	53	29	87	37	69	75	45	66
	Contractors	100 ^a	0	100 ^a	100 ^a	0	0	-	-	-
NFP	Permanent or Ongoing	94	62	58	100	40	64	100	52	78
	Casual	89	57	68	100	44	63	100 ^b	50 ^a	100 ^b
	Fixed-term	94	64	19	100	43	86	100	46	83
	Contractors	0	0	100 ^c	-	-	-	-	-	-
Public	Permanent or Ongoing	100	75	78	100	43	77	100	38	87
	Casual	100	83	75	100	50	50	100 ^b	100 ^b	67 ^b
	Fixed-term	100	75	13	100	47	81	100	31	91
	Contractors	100 ^a	100 ^a	0	-	-	-	-	-	-

^a N=1 employer

^b N=2 employers

^c N=3 employers

Note: Data weighted by employer size

Source: EIPE

Key:

NRP Offered at normal rates of pay

HRP Offered at half rates of pay

S Accrue superannuation while on leave

NFP A Not-for-profit organisation

5.2.4 Unpaid leave

Long term employees have a right to 12 months unpaid parental leave under the National Employment Standards (NES), with a right to request up to an additional 12 months unpaid leave, to a maximum of 24 months per family. The following section reports on unpaid leave in addition to the initial 12 months unpaid parental leave provided for under the NES. Table 5.8 outlines employer provisions of unpaid leave by organisational size. Less than half (44 per cent) of employers offered unpaid leave provisions above and beyond the initial 12 month NES entitlement, but there are significant differences across organisations. Organisations with more than 200 employees were significantly more likely to offer further unpaid leave entitlements: 61 per cent of large organisations offered their employees unpaid leave, in comparison to 44 per cent of medium (20-199 employees) and 26 per cent of small (less than 20 employees) organisations. The EIPE data also reveal significant differences in unpaid leave offered by employers across sector. Nearly three quarters (74 per cent) of public sector employers offered unpaid leave in addition to the initial NES entitlement, in comparison to 54 per cent of not-for-profit employers and 37 per cent of private sector, for-profit employers.

Table 5.8 Employer provisions of unpaid leave by organisational size

Does your organisation offer any unpaid maternity, paternity or primary carer's leave in addition to the 12 month entitlement ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	26	44	61	44
No	68	52	38	52
Don't know/Refused	6	4	1	4
Total	100	100	100	100
N	149	177	175	501

^aChi-square test indicates that this is significantly different across Employer Size at P<0.05.

Note: Data weighted by employer size.

Source: EIPE

5.2.5 Changes to HR policies

Data collected during Phase 1 of the PPL evaluation suggested that most employers were not considering an alteration to existing leave policies as a result of the introduction of the Government's PPL scheme. The EIPE data collected during Phase 2 demonstrate that 20 per cent of organisations that currently offer paid leave introduced new policies following the implementation of the scheme or changed their existing paid leave policies (Table 5.9).

Employers differ significantly in this regard based on organisational size. Employers most likely to change existing policies or introduce new paid leave policies were medium size employers (30 per cent made changes). The data show that large employers, who were more likely to have existing paid leave policies in the first place, were less likely to make changes to their policies (18 per cent) and small employers were least likely to do so (7 per cent).

The EIPE survey assessed not only *whether* employers changed their HR policies, but also *how* they changed their policies. Table 5.10 outlines the types of changes made to existing leave policies and/or introduction of leave policies by the 20 per cent of employers who did make changes. Nearly half (48 per cent) of these employers introduced a new policy that combined with the PPL scheme, and 42 per cent increased their existing policies by combining their policies with the PPL scheme. For 28 per cent of these 39 employers, implementation of the PPL scheme went hand-in-hand with the introduction of a new stand-alone policy on paid leave. The results show that 26 per cent of employers who changed their HR policies had topped up PLP and 18 per cent had increased existing employer-funded leave following PPL implementation. A few employers who made changes actually reduced their paid leave (13 per cent; 5 employers) or withdrew their paid leave (11 per cent; 4 employers) following the implementation of PPL. Some employers both reduced and withdrew various leave policies. This means that, overall, 3 per cent of all employers in our survey that had previously provided paid parental leave had reduced or withdrawn this leave following the implementation of PPL.

Table 5.9 Changes to paid leave policies or introduction of new policies made by organisations that offer employer-paid leave

Were changes made to paid maternity/paternity/primary carers leave or new policies introduced leading up to or following the introduction of the PPL scheme? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	7	30	18	20
No	93	67	81	79
Don't know	0	2	1	2
Total	100	100 ^c	100	100 ^c
N ^b	19	46	111	177

^a Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

^b Number of Employers who indicated that they offer paid maternity/paid paternity/paid primary carers' leave.

^c Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Table 5.10 Types of changes to existing policies/introduction of new policies made by employers who did make changes

Employers who made specific changes to paid leave	Per cent ^a
Introduced a new policy that combines with the PPL scheme	48
Increase existing paid (maternity, paternity or primary carer's) leave policies by combining with PLP	42
Introduced a new stand alone policy	28
Top up the PPL scheme	26
Increase existing paid (maternity, paternity or primary carer's) leave policies	18
Reduce existing paid (maternity, paternity or primary carer's) leave policies	13
Withdraw existing paid (maternity, paternity or primary carer's) leave policies	11
N	39

^a Multiple response question. 39 employers who indicated that they did make changes to paid leave policies were asked this question.

Note: Data weighted by employer size.

Source: EIPE

When changes to leave policies were discussed in the interviews, the reasons for changing existing leave policies varied. Employers who increased existing policies did this in some cases independently of the Government's scheme, whereas others used the introduction of PPL to top up their current leave policies.

One large, not-for-profit employer, who implemented an increase in 2010 and was negotiating another increase in late 2011, felt that these developments in organisational leave were not influenced by the introduction of the government

scheme, *"Because generally... Some of the workers model their negotiations on other certified agreements in the state"*. [Employer # 30003357, health services]

One company previously paid up to six weeks of leave with full pay, dependent upon the length of service (five years for the full amount) under their enterprise agreement. With the introduction of PPL, the company renegotiated the scheme to be a top up to the government scheme for up to 12 weeks, again depending on the length of service. They felt the overall cost was much the same: *"So it's a system that works well for us, it was something we could afford to do, it extended the period and provided a benefit to the staff members"*. However, the interviewee pointed out that their top-up of PLP had *'backfired'* in some cases because some higher paid employees took the BB instead of government PLP, which left the employer to top up to full salary from a zero base. [Employer # 20002305].

One employer in the retail sector that removed their company policy following the introduction of PPL explained this was done because, *"Well, it's purely down to cost. With the business and retail at the moment..... Yeah it was purely cost issue for us because we're not that big an organisation, so to speak"*. This interviewee agreed that the removal of the company policy was sparked by the introduction of the government scheme, which in the employer's eyes was a bit better than the leave offered by the company, so the introduction of the government scheme saved them money. [Employer # 20002304]

The EIPE survey also asked employers about changes to unpaid leave provisions. Of the employers who offered some form of unpaid leave in addition to the 12 month entitlement under the NES, only 5 per cent made changes to unpaid leave policies following the implementation of PPL (Table 5.11). Within this small proportion of employers who changed their unpaid leave policies, 6 of the 11 employers (55 per cent) extended the duration of their existing unpaid leave policies and the remaining 5 (45 per cent) stated they did something else, such as *"Changed it to fall in line with the new Paid Parental Leave"*, *"Amended it to include Paid Parental Leave"*, *"Replaced [it] with a new one. We updated it and everything"*, *"Included it in our policy"*. One employer did not clarify their response.

In addition to changes made to formally arranged employer paid or unpaid leave, employers without formal HR policies in place were also asked whether the implementation of PPL led them to make any changes to what happens if an employee is pregnant (Table 5.12). Among employers without formal HR policies, 12 per cent had made changes to the way they manage this, with significant variation across organisational size. Primarily large (17 per cent) and small (14 per cent) organisations made changes to the way in which they informally manage what happens when an employee is pregnant as a result of PPL, in comparison to only 3 per cent of medium organisations. In comparison to the results presented above, it would seem that a significant number of medium-sized organisations with formally arranged paid leave used the implementation of PPL to make changes to their leave policies, whereas they rarely changed any informally arranged policies.

Table 5.11 Proportion of organisations that have changed unpaid leave policies

Did your business/organisation make any changes to its unpaid maternity, paternity or primary carers leave policies in response to the introduction of PPL? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Don't know	3	3	1	2
Yes	7	6	4	5
No	90	92	96	93
Total	100	100 ^c	100 ^c	100
N ^b	38	78	106	222

^a Chi-square test indicates that this is not significantly different across Employer Size.

^b 47 per cent of employers indicated that they offer UNPAID maternity, paternity, primary leave in addition to the 12 month entitlement period. This question is therefore asked of that 47 per cent.

^c Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Table 5.12 Changes to informal HR policies made by organisations without formal HR policies in place

In response to the introduction of PPL, has your business/organisation made any changes to the way you manage what happens if an employee is pregnant? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	14	3	17	12
No	86	94	83	88
Don't know	0	3	0	1
Total	100	100	100	100 ^c
N ^b	89	38	19	146

^a Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

^b Those who answered "no" in response to question in survey "does your business/organisation have formal HR policies in place – unweighted N=129.

^c Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

5.2.6 Changes to HR practices

Even fewer employers had made changes to HR practices in their organisation than to HR policies as a result of the implementation of PPL (Table 5.13). Some 12 per cent of all organisations made some changes to their HR practices, with large organisations (17 per cent) significantly more likely to do this than medium (10 per cent) or small (8 per cent) organisations.

Table 5.13 Changes to HR practices resulting from PPL

As a result of the introduction of PPL have HR practices changed in your business/organisation? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	8	10	17	12
No	92	87	78	85
Don't have HR practices	0	1	1	1
Don't know/refused	0	2	5	2
Total	100	100	100 ^b	100
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Among employers who made changes to HR practices within the organisation, the types of changes most often made included the introduction of processes to manage PLP requests (70 per cent), attempting to better manage employee expectations in regards to parental leave (54 per cent), re-educating managers to ensure non-discriminatory practices (48 per cent) and reviewing hiring practices to ensure biases do not exist towards women of childbearing age (41 per cent).

Table 5.14 Types of changes to HR practices made by those organisations that did make some change

Types of changes made to HR practices	Per cent ^a
Introduce processes to manage requests for PPL	70
Better manage employee expectations about parental leave	54
Re-educate managers to ensure their behaviours are not discriminatory	48
Check hiring procedures to ensure there is no bias with regard to women who are of child-bearing age	41
Business/organisation did something else	21
N	63

^a Multiple response question. 63 employers indicated that they did make changes to their HR practice(s).

Note: Data weighted by employer size.

Source: EIPE

Few employers expressed their reasoning for changing HR practices in the employer interviews. One interviewee explained:

I suppose it's made us look at our processes and stuff so I actually think it's been quite good for the organisation. [Employer # 10001062, small, private sector employer, finance investment services]

One employer, in order to better manage their employees' expectations about the government's PPL scheme, put together an information package for staff using:

[...]- pamphlets and the like that were sent through by the Government because what we do - our customer practice has been for staff going on maternity leave, we would put together a bundle of information on, you

know, what's required of us; what's required of the staff members - you know, dates and times they can change their mind; what they have to formally put in writing. So we put that together as a package for them. So there's information off the net that has been downloaded and printed off, and that gets put together in the maternity leave package we give to the staff. [Employer # 20002169, medium, not-for-profit sector employer, child care services]

The reasoning for providing such detailed information for employees was: “You know, given the industry we're in, and the number of sort of childbearing-age women we employ, it's just something that we had to be across.”

Another not-for-profit employer felt they had improved HR practices by providing information:

Interviewee: *...but we actually, we've improved our processes and we've actually got a lot of paperwork [information]. We give them a maternity leave pack which gives them all that information now, and a few little guideline answers to some of their questions.*

Facilitator: *Right, some of their - so you give them a Q and A sort of thing?*

Interviewee: *That's right, yeah. [Employer # 30003389, large, not-for-profit sector employer, employment placement]*

5.2.7 Section summary: key points

This section looked at organisational policies and leave provisions as well as changes to these policies as a result of the implementation of PPL. Data from the EIPS survey indicate that 36 per cent of all organisations offered some type of formally arranged employer-provided leave. Organisations most often provided maternity leave (31 per cent) but also paternity leave (23 per cent) and primary carer's leave (14 per cent). Employers differ significantly in the provision of leave across size, sector and industry.

- Large employers (with 200 or more employees) were most likely to offer paid leave to allow parents to care for children before or after birth. A total of 64 per cent of large organisations offered some form of paid leave to their employees, in the form of maternity leave (58 per cent), paternity leave (43 per cent) or primary carer's leave (26 per cent).
- Just over one quarter of medium organisations (20-199 employees) offered employer-paid leave (27 per cent), with 23 per cent offering employer-paid maternity leave, 16 per cent offering employer-paid paternity leave and 10 per cent offering employer-paid primary carer's leave.
- Small organisations (with less than 20 employees) were the least likely to offer employer-paid leave: 15 per cent of all small employers offered some form of paid leave around the birth of a child. Just 11 per cent offered paid maternity leave, 7 per cent offered paid paternity leave and 4 per cent offered paid primary carer's leave.
- Employers in the public sector were most likely to offer employer-provided paid leave for parents to care for children before or after birth. Nearly all (92 per cent) of public sector employers offered some form of paid leave: 87 per cent offered paid maternity leave, 67 per cent offered paid paternity leave and 44 per cent offered paid primary carer's leave. These percentages are significantly lower in the private and not-for-profit sectors.
- Just over half (51 per cent) of employers in the not-for-profit sector offered some form of paid leave: 45 per cent offered paid maternity leave, 32 per cent offered paid paternity leave and 18 per cent offered paid primary carer's leave.

- In the private sector, 24 per cent of employers offered some form of leave: 20 per cent offered paid maternity leave, 14 per cent offered paid paternity leave and 9 per cent offered paid primary carer's leave.
- Employers in female-dominated industries are significantly less likely to offer employer-paid leave. Just 14 per cent of employers in the Accommodation and Food Services industry offered some form of paid leave, 26 per cent of employers in Administrative and Support Services and 38 per cent of employers in Healthcare and Social Assistance offered paid maternity, paternity or primary carer's leave.

In addition to employer-provided leave, this section addressed leave eligibility, duration and pay.

- Eligibility for employer-provided leave almost always depended on a qualifying service period.
- The average qualifying service period for employer-provided maternity leave was 12.7 months.
- Public sector employers had the shortest average qualifying service periods.
- The average duration of paid maternity leave provided by employers for permanent and ongoing employees ranged from 10 weeks in the private and not-for-profit sectors to 13 weeks in the public sector.
- Where employers provided paid maternity leave, it was almost always at normal rates of pay. This is universally the case in the public sector, and over 90 per cent of private sector and not-for-profit organisations provided paid leave at normal rates of pay for most types of employees.
- Employers in the public sector were significantly more likely to offer mothers the flexibility to take paid maternity leave at half pay to lengthen the duration of leave. Over three-quarters of public sector employers that provided paid maternity leave offered this flexibility, compared to just over half of a smaller group of private sector employers that provided paid maternity leave.
- A large proportion of employers continued to pay superannuation contributions while employees were on leave, in particular when employees took maternity leave. There are some significant variations across sectors: 78 per cent of public sector employers continued to make superannuation contributions when they provided paid maternity leave, as did 70 per cent of private sector employers and 58 per cent of not-for-profit employers that provided such leave.

This section also addressed the issue of unpaid leave. Long term employees have a right to a guaranteed 12 months unpaid parental leave, with a right to request up to an additional 12 months unpaid leave, to a maximum of 24 months per family.

- Some 44 per cent of employers offered unpaid leave provisions above and beyond the initial NES entitlement of 12 months.
- Large employers were significantly more likely to offer unpaid leave beyond the initial 12 month NES entitlement: 61 per cent of large organisations offered more than 12 months of unpaid leave in comparison to 44 per cent of medium and 26 per cent of small organisations.

Lastly, in relation to HR policies and practices, this section evaluated whether employers implemented changes to leave policies or HR practices leading up to or following the introduction of PPL.

- Only 20 per cent of employers who offered employer-paid leave made changes to these policies leading up to or following the introduction of PPL.
- Medium-sized organisations were significantly more likely to make changes to their existing policies: 30 per cent of medium-sized employers changed their

employer-provided leave in comparison to 18 per cent of large and 7 per cent of small employers.

- Nearly half (48 per cent) of the small number of employers who changed their leave policies introduced a new policy in combination with PLP, 42 per cent increased their existing policy by combining it with PLP, 28 per cent created a new stand alone policy, 26 per cent topped up the PPL scheme with their existing policies and 18 per cent increased their existing policies.
- Overall, 3 per cent of all employers in our survey that had previously provided paid parental leave had reduced or withdrawn this leave following the implementation of PPL.
- Only 5 per cent of organisations made changes to their unpaid leave policies.
- In organisations with no formal HR policies to manage leave around the birth of a child, only 12 per cent of employers made changes to what the organisation does if an employee informs them they are pregnant.
- Only 12 per cent of all organisations made changes to HR practices as a result of the introduction of PPL.
- Large organisations were significantly more likely to make changes to HR practices (17 per cent) in comparison to medium (10 per cent) and small (8 per cent) organisations.
- Among the small number of employers who introduced changes to HR practices, these included introducing processes to manage PLP requests (70 per cent), better managing employee expectations about parental leave (54 per cent), re-educating managers to ensure non-discriminatory behaviour (48 per cent) and checking hiring procedures to ensure there is no bias with regard to women of child-bearing age (41 per cent).

5.3 Managing PLP in the Organisation

This section presents data on employer experiences in managing PLP in the organisation, such as sourcing information about PPL, registering and preparing to provide PLP, voluntary participation in the scheme, changes to payroll systems, costs involved in implementing PPL, and employer attitudes towards the scheme.

5.3.1 Sourcing of information

The EIPE survey asked employers how they gathered information about their new role. The largest group (39 per cent) sourced information about the scheme from a government website. Some 29 per cent of employers found information from non-advertising media sources such as the news or radio, 22 per cent from a Centrelink office and 13 per cent from government advertising. Some 35 per cent of employers used at least one 'other' source of information. These include: through a payroll provider, through external training, via a letter from the government, through an industry group, through the ATO or other (state) government department, through their employee or through Fair Work Australia (Table 5.15).

Table 5.15 Sources of awareness and information about the scheme

Employers source information from:	Per cent ^a
Government website (includes Centrelink website)	39
Other (See verbatim responses below)	35
Other non-advertising media (news, radio)	29
Centrelink office	22
Government advertising (brochure, TV)	13
Employer/HR	6
Don't know	3
Work colleague	3
1800 number	1
Union	0
Friends or family	0
Didn't get any information about the PPL scheme	0
N	501
From Verbatim "Other" responses:	
Payroll office/payroll software provider/external accountant	27
Seminar/External trainer/Conference	14
Letter from Centrelink/Government/ATO	14
Industry group	11
ATO/Other State Government departments	9
Employee	9
Fair Work Australia	1
Other	15
Total	100
N	182

^a Multiple response question.

Note: Data weighted by employer size. Verbatim responses use unweighted data.

Source: EIPE

According to attitudinal data from the EIPE survey, most employers felt it was easy to source information about PPL and that the information was accurate and helpful. More than 80 per cent (83 per cent) of all organisations agreed or strongly agreed that it was easy to get information about PPL (Table 5.16). There is some variation across employer size. Small and medium employers found sourcing information on PPL relatively more difficult than large employers. A total of 17 per cent of small and 14 per cent of medium employers disagreed or strongly disagreed with the statement that it was easy to get information about the PPL scheme in comparison to 9 per cent of large employers.

Table 5.16 Employer size and ease/difficulty in sourcing information, perceived helpfulness and accuracy of information

	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
It was easy to get information about the PPL scheme ^a				
Strongly Agree or Agree	77	83	89	83
Neither agree nor disagree	6	3	2	4
Disagree or Strongly Disagree	17	14	9	13
Total	100	100	100	100
The information about the PPL scheme was accurate ^a				
Strongly Agree or Agree	86	95	93	92
Neither agree nor disagree	7	3	4	4
Disagree or Strongly Disagree	7	3	3	4
Total	100	100 ^c	100	100
The information about the PPL scheme was helpful ^a				
Strongly Agree or Agree	82	89	95	89
Neither agree nor disagree	8	4	1	4
Disagree or Strongly Disagree	10	8	4	7
Total	100	100 ^c	100	100
N ^b	145	172	166	483

^a Chi-square test indicates that this is significantly different across Employer Size at P<0.05.

^b 19 organisations were not asked this question as they answered that they did not know where they received information about PPL.

^c Percentage does not equal 100 due to rounding.

Note: Data weighted by employer size.

Source: EIPE

When asked if they felt the information about the PPL scheme was accurate, 92 per cent of all organisations agreed or strongly agreed that the information was accurate. Small employers were most likely to disagree in some way with this statement. Seven per cent of small employers disagreed or strongly disagreed that the information about PPL was accurate, in comparison to only 3 per cent of medium and 3 per cent of large organisations. Lastly, when asked whether the information about the PPL scheme was helpful, an overwhelming majority (89 per cent) of employers agreed or strongly agreed that it was helpful. Again there are some differences across employer size. Only 4 per cent of large employers disagreed with the statement that information about the PPL scheme was helpful and no large employers strongly disagreed with this statement. However 10 per cent of small and 8 per cent of medium employers disagreed or strongly disagreed with this statement. Summing up, the results in Table 5.16 clearly indicate that employers found sourcing information on PPL to be easy, and that the information was helpful and accurate. However, a small but significant

proportion of small employers had difficulty sourcing information. These difficulties were discussed more fully in the interviews with employers. As this small, private sector employer explained,

I had to source the whole lot myself. No information came to me as an employer – or very little information. I should say, came to me in regards to how to set it up, to register with Centrelink and to go through those processes. There was no information in that regard sent to me. [Employer # 10001002]

There was an extensive communication campaign to raise awareness about the scheme among parents and employers. This campaign directed employers to more detailed information on the Centrelink website, including the Employer Toolkit, which provides comprehensive information about the administration of PLP. Employers were sent more targeted information about the scheme only if they had an employee who they were required to provide PLP to, or who they may have been required to provide PLP to, for example employees who were initially eligible and who were waiting for a “payability determination”.

The difficulties mentioned by employers seemed to be with the initial information available about the PPL scheme. As one small employer in the non-store retail industry explained, they found the initial information on PPL to be “confusing” [Employer # 10001044]. A medium-sized employer in the not-for-profit sector felt it was difficult to find the information initially.

It was only through my own initiative that I was able to track down information. I wasn't sent anything. It was only through the media that I heard about the scheme. Through the newspaper and on the news. Just trying to find out what was the organisation, who was administering the scheme, to find out that I needed to go to Centrelink.

Facilitator: So that took a bit of tracking down?

Yes, it was just a bit of time researching on the internet to find actually where I could get the information. [Employer # 20002015]

But in line with the survey data, most interviews with employers revealed that employers found it easy to source information about PPL, even the majority of small employers. One small, public employer, when asked if they had trouble accessing information, replied “*Not at all, not at all*” and they also found the information they read on the government website was “*very informative*” [Employer # 10001310, primary education].

A large, public employer commented:

We just googled the paid parental leave scheme and as I said, the best documents were on the Centrelink website. [Employer # 30003389, shire council]

Similarly a large, not-for-profit organisation stated that the Centrelink website was, “*Easy to access, helpful*” [Employer # 30003357, health services].

If there had been difficulties in sourcing information initially, most employers felt this issue was resolved later on. One medium-sized, not-for-profit employer said finding the information had been:

Difficult to begin with, though was good when found but I was a bit, I suppose, disappointed that nothing was sent to us [as] an employer from the government to give us just a brief overview of the scheme’ [Employer # 20002015, social assistance services]

During the interviews, many employers mentioned using the Business Hotline and were quite positive about their experiences with the hotline. As one small, private sector employer commented, the hotline was:

Very helpful. Really good. Everyone I have dealt with has been very good.
[Employer # 10001062, finance investment services]

This response is similar to another medium-sized, private employer, who enthused:

The people were very, very helpful - even when they had problems with sort of IT systems problems, they were extremely helpful.... When things didn't work for us, they worked their magic in the background. What we couldn't do, they did for us and, yeah, it was fairly pain-free.... The people themselves were really, really helpful. [Employer # 20002304, retail telecommunications]

One large, public sector employer commented that the hotline had been:

Excellent, apart from the waiting period perhaps to get contact with an officer, but certainly my issues have been addressed pretty good.
[Employer # 30003389, shire council]

5.3.2 Registering for PPL

Employers were generally required to make PLP payments to their eligible long-term employees who had a child born or adopted from 1 July 2011. They could register and opt in for PPL (using Centrelink Business Online Services) at any time after 1 October 2010, and could provide PLP to eligible claimants who had a child born or adopted after 1 January 2011, if they chose to do so and their employee agreed. EIPe data on attitudes towards the registration process show that just over two-thirds of employers (68 per cent) agreed or strongly agreed with the statement that it was easy to register for the PPL scheme (Table 5.17). No significant differences can be found across organisational size.

However, some employers encountered minor problems. Two medium-sized, not-for-profit sector employers were rather lukewarm. One said:

Registering was okay. It took a few phone calls to the helpline to get the information that we required... But I wouldn't say it was a difficult process
[Employer # 20002015, social assistance services]

Another employer who had slight problems with the initial registration, which she described as minimal, nevertheless felt:

It's not really a big deal. It's just a different-you just have to set yourself up and then it just flows [Employer # 2000232, residential services]

And in a few cases employers found the registration process a bit confusing or time consuming.

We actually had a Centrelink registration initially and I was a little confused about why I needed to register on the same site twice. [Employer # 30003389, large, public sector employer, shire council]

Another employer said:

To start registering with Centrelink was a bit - takes a bit of time, but once you're registered it's okay [Employer # 30003003, large, private sector employer, accounting firm]

Table 5.17 Ease of registering for PPL scheme by organisational size

It was easy to register for the PPL scheme ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Strongly agree	21	21	22	21
Agree	44	48	48	47
Neither agree or disagree	3	4	4	3
Disagree	17	21	15	17
Strongly disagree	14	5	9	9
Don't know	2	2	4	3
Total	100 ^b	100 ^b	100 ^b	100
N	149	177	175	501

^a Chi-square test indicates that this is not significantly different across employer size.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

5.3.3 Making payments and payroll changes

Similar to registering, the majority of employers found it easy to organise PLP payments (Table 5.18). Nearly four-fifths of organisations (79 per cent) agreed or strongly agreed with the statement “It was easy to organise payments for the PPL scheme.” Just 18 per cent of all organisations disagreed or strongly disagreed with this statement. There are no significant differences across organisational size. While employers felt organising the payments was easy, many employers did find the organisation of payments to be time consuming. Nevertheless, just over half of all organisations disagreed with the statement that “organising payments for PPL has been time-consuming”, while 41 per cent of all organisations agreed or strongly agreed with the statement. This varies across organisational size.

Table 5.18 Employer attitudes towards organising PPL payments

	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
It was easy to organise payments for the PPL scheme ^a				
Strongly Agree/Agree	78	84	75	79
Neither Agree nor Disagree	4	4	2	3
Disagree/Strongly Disagree	18	13	23	18
Total	100	100 ^c	100	100
Organising payments for PPL has been time-consuming ^b				
Strongly Agree/Agree	46	30	46	41
Neither Agree nor Disagree	4	6	5	5
Disagree/Strongly Disagree	50	63	49	54
Total	100	100 ^c	100	100
N	149	177	175	501

^a Chi-square test indicates that this is *not* significantly different across Employer Size.

^b Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

^c Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Several themes emerged from the interviews in relation to administering PLP payments. One of the major themes was the timing of payments. Some employers had positive feedback about the timing of PLP payments, as these quotes illustrate.

I've been very happy with that process. We received an electronic letter, a remittance advice, advising payment and exactly how much per employee and dates it was applicable to. So I found that went really smoothly. [Employer # 20002015, medium, not-for-profit sector employer, social assistance services]

It's been really good. They've been arriving a couple of weeks before they're actually due so they're turning up before we actually have to pay them, which is good. [Employer # 20002042, medium public sector employer, local council]

They were prompt, but it might have been delayed by a week, so I just covered that. So it's all good. [Employer # 10001079, small, private sector employer, optometrist]

Some employers experienced problems with the timing of payments from Centrelink, for example not knowing when to expect a final payment or waiting for payments to come in.

When asked whether the funds had been coming on time from Centrelink, one employer said:

Yes it was perfect. The only thing [was]... I don't remember seeing anything saying this is your last payment ... It just stopped and would have been useful. [Employer # 20002323, medium, not-for-profit sector employer, retail telecommunications]

Another employer pointed out a problem with the timing of payments:

It took a really long time for her to get her first payment... It took like 12 weeks or something... Then it was a huge payment all in bulk... So then there was a lot of confusion about why and all that. [Employer # 20002012, medium, not-for-profit sector employer, social assistance services]

Another employer said that payments from Centrelink were:

A bit sporadic, we had one person who's came through fairly regularly and then I had three people come on and they are getting all different amounts at different times. [Employer # 20002070, medium, private sector employer, insurance]

Not all employers felt Centrelink was at fault for the timing of the payments. As this employer explained, they thought the poor timing might have to do with the employee's timing of providing proof of birth, which could have affected other employer-experienced delays as well.

Generally yes [payments are timely], but I did note that we had to do a couple of back payments... They weren't big delays... I can't tell you why it was late but I'm assuming it's because the mother didn't register the birth on time. [Employer # 30003357, large, not-for-profit sector employer, health services]

As one employer explained, they felt that the question of how to continue the employer-provided paid leave to top up PLP had created an administrative "hell" as topping up caused several administrative complexities. Employees were put on unpaid leave until the organisation heard from Centrelink that they would get PLP and sometimes employees were late in applying. The result was that backpay had to be given to them (which is a different payroll issue to paying the government's PPL). This business' decision to use their own leave to top-up PPL meant the implementation of payments seemed quite complex: *"It's too much complication as in administering the whole thing"*. This interviewee assumed it caused difficulties for the employees because they no longer had money before the birth and felt it would have been easier to administer the two systems separately. [Employer # 30003003, large, private sector employer, accounting firm]

This employer also complained:

The amount of e-mails I get from them - for me to go and look at the website then I go and there is nothing in the website and that drives me crazy... The e-mail doesn't tell you what it is, it just gives you warning to go through Centrelink website... Definitely per employee it would take more than one hour a month. [Employer # 30003003, large, private sector employer, accounting firm]

However, this same employer felt that payments had been made on time.

They pay money on time as we - when they asked me originally what's your pay cycle and when you want the deadline - they're all perfect in that". Another employer agreed: "So far all money came well in advance, I mean

on time for us, to be processed in next pay cycle". [Employer # 30003156, large, private sector employer, pest control]

5.3.4 Experiences of the employer role

Another key theme emerging from the interviews was about the new role of employers providing PLP to their long-term employees. Some employers felt there was a benefit to the new role, as they indicated by describing how it might be beneficial or advantageous.

It's [employer role] fine it makes sense... Because it keeps a strong record of what the individual has received. It's visible for the employer as well as for the employee through the payroll and so it just makes sense. I think it's a good scheme. [Employer # 20002070, large, private sector, insurance]

One medium-sized private sector employer said that, as they changed their own scheme to act as a top up to the government one, it was helpful to provide PLP payments and know government payments were being made, although it did mean: *"we now have a further lot of little jobs that we didn't have previously."* But the employer also explained, *"I don't mind doing it at all, because the advantage is that the person's getting taxed at the right rate... [It is to] the benefit of the staff member, really"* [Employer # 20002305, primary and secondary education]

This sentiment is mirrored by two more employers who were happy to provide the pay as it was beneficial to the employee: *"The employee was able to take advantage of our tax salary packaging benefits so it would reduce the employee's tax".* [Employer # 20002012, medium, not-for-profit sector employer, social assistance services]

Another large, private employer was even more positive about the beneficial effect of the employer role:

I think the fact that it [the Government PPL] comes through the employer is a good thing, for the employer. Because the employees, even they know it's essentially a benefit, it's still coming from them, it's coming on their payslip and in the end hopefully they'll think of it as an employer payment. [Employer # 30003433, social assistance services]

Another positive assessment of the employer role came from a small, public sector employer who said: *"It's something that I do on a fortnightly basis anyway, so I had no concerns".* [Employer # 10001310, primary education]

A similar assessment was made by a medium, not-for-profit sector employer who noted: *"Work did query why it was going through the employer but it's not really a big deal. It's just a different ...you just have to set yourself up and then it just flows".* [Employer # 20002323, residential services]

Another employer's response to whether the employer role was a burden was: *"Apart from the initial hour or two to set up coding and read the documents and getting your head the basis of going forward and the information requiredprobably no".* [Employer # 30003389, large, public sector employer, shire council]

Some employers seemed more neutral. One small, private employer said:

It has not worried me. I don't find it a problem. There's not much extra work, so, no. I don't find it advantageous for us to do it either; I can't see why the government can't do it. [Employer # 10001062, small, private sector employer, finance investment services]

A large, private sector employer had a similar view:

I'm pretty much neutral, my opinion on this [employer role]. It's not bad, we can manage, it's manageable. It's not a big burden on the business absolutely from my point of view... it's not a big burden because so far we have five of them on paid maternity leave so it doesn't involve a lot of time. [Employer # 30003156, pest control]

Some employers expressed reservations about the new role and/or questioned the necessity of their involvement in the scheme. One employer felt that the employer role placed an administrative burden on the organisation. Its two payroll employees explained their reactions to their new role, *"we'd heard that... [t]he payroll team had to process it and we thought oh goodness me (first interviewee) but we've got the process down pat and it seems to be going quite easily (second interviewee)"* but still *"it's something else we have to do"*. [Employer # 30003357, large, not-for-profit sector employer, health services]

Other employers were more pronounced in their views that the employer role was unnecessary. As this medium, private sector employer commented:

It's just double handling. I sort of don't see the point behind why it should come to us and then go to the staff member it's just... There is a little bit of time involved for us but it's not like it's over the top.... But I do just think that - I don't understand why the Government just can't pay straight to the employees... The communication that we have with our people is because of what we do, not because of the PPL scheme. [Employer # 20002058, management software]

Another employer stated the more negative aspects of the employer role: *"In my opinion, it's a waste of our time – employer's time as well as Centrelink time because Centrelink are doing the work anyhow"*. The interviewee then recited all the work Centrelink does and continued:

"they've done all that far then ... If they already done all this work where up until the point where they put the money into our bank, wouldn't it be easier then, instead of putting the money into the employer's bank they put the money into the employee's bank as before July 2011?" [Employer # 30003003, large, private sector employer, accounting firm]

Overall, the attitude to the employer role was fairly evenly split among employers in the interview sample who were positive, negative or ambivalent to this role. Of the employers who voiced an opinion on the employer role, 14 reported positive attitudes, 12 reported negative attitudes, and 12 took a neutral or ambivalent stance. Of this group, employers in medium-sized organisations expressed mostly positive attitudes to the employer role. Employers in large organisations were polarised in their attitudes, and were either strongly for or strongly against the employer role. Employers in small organisations tended to be mostly negative or ambivalent towards the employer role.

5.3.5 Perceived retention effects

The interviews also explored employers' views about possible retention effects of employers providing PLP. Promoting women's return to work and improving their attachment to the workplace are explicit policy intentions of involving employers in providing PLP. At this stage, however, most employers had little experience with return to work as the majority of their employees were still on leave. While some employers said it was too early to tell, some employers nevertheless offered their views on expected retention effects from PPL, which were divided. Some employers felt that the employer role would have no effect on their employees' attachment to the

workplace or retention. *"It (the government PPL scheme) really doesn't have any effect. So it's not beneficial, it's not non-beneficial"* [Employer #20002042, medium public sector employer, local council]

Another medium-sized public sector employer said: *"It's not a payment from us. I don't think people associate it with us"*. [Employer # 20002058, management software]

A large, private sector employer could not see any link between the employer role and return to work: *"you find women when they go on maternity [leave] they love to come back to work anyhow because people need the money. So having Centrelink to look after it or us as an employer to look after it, wasn't going to make a difference"*, and regarding commitment generated by the PPL scheme, *"we are a firm who already have a good policy of giving people. Before paid parental leave we were giving paid maternity leave to staff anyhow"* [Employer # 30003003, large, private sector employer, accounting firm].

Another large employer, from the not-for-profit sector argued:

They're just looking at it as a payment regardless of who actually pays it. Except as an advantage of it coming through the employer because they can salary sacrifice it. I personally think it's the employers' parental leave policy and payment that would have more effect whether they returned or not and nothing to do with the government one. [Employer #30003357, health services]

Employers who felt that PPL would help with retention emphasised that paid leave maintains a connection with the employer and the workplace, although in some cases this was tied to the availability of employer-paid parental leave in combination with PLP. The following examples illustrate this:

I think it's sort of keeps the connection to the workplace - even though they're only getting paid through the payroll... I just do think that it will help retain... If they have say six months of payments coming in. [Employer # 20002015, medium, not-for-profit sector employer, social assistance services]

I think it'll help in some regards because there is now something that they previously weren't getting. I know it's coming through the government, but add onto that our parental allowance and if you move to a lot of other places you'll only be looking at the government scheme. Working hand-in-hand those things should hopefully help us with retention. [Employer # 20002305, medium, private sector employer, primary and secondary education]

I think the salary packaging would [assist employee commitment to us]. So packaging [the] amount from us compared to if they move to a different employer who didn't offer that. So I suppose that would [be] one thing, but I think any employer would need to pay this anyway. [Employer # 20002012, medium, not-for-profit, social assistance services]

A large private sector employer noted: *"I do believe having this financial payment from the government [by the] company - its positive effect anyway"*. [Employer # 30003156, pest control]

5.3.6 Voluntary administration of PLP

Employers could voluntarily administer PLP under a variety of circumstances. These included situations where employers were not required to administer the payments because employees had not been with them for 12 months, employees were taking less than eight weeks of PLP, or the child was born or adopted before 1 July 2011.

The EIPE survey data reveal that only 10 per cent of organisations chose to voluntarily administer the scheme from 1 January 2011. Employers in the public sector were most likely to voluntarily administer the scheme (Table 5.19): 16 per cent of public sector employers administered PLP voluntarily (this included 100 per cent of Commonwealth Public Sector employers, who were required to opt-in from the start of the scheme), in comparison to 9 per cent of organisations in the private and not-for-profit sectors. Voluntary administration of PLP does not differ significantly across employer size.

Table 5.19 Voluntary administration of PLP by sector and size

Sector	Does Organisation/ Business voluntarily pay	Employer Size			All Organisations (per cent)
		Small (per cent)	Medium (per cent)	Large (per cent)	
Private ^a	Yes	8	8	12	9
	No	89	91	85	88
	Don't know/refused	3	1	2	2
	Total (per cent)	100	100	100 ^c	100 ^c
	N	122	127	99	348 ²
Not-for-profit ^a	Yes	7	14	4	9
	No	93	83	92	88
	Don't know/refused	0	2	4	3
	Total (per cent)	100	100 ^c	100	100
	N	19	45	39	103 ²
Public ^a	Yes	0	0	21	16
	No	100	75	74	78
	Don't know/refused	0	25	4	5
	Total (per cent)	100	100	100 ^c	100 ^c
	N	8	4	37	49 ^b

^a Chi-square test indicates that this is not significantly different across Employer Size.

^b Slight weighting variation during the individual statistical calculation by Sector has caused the overall total N=500.

^c Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Among employers who voluntarily administered PLP, 22 per cent of respondents said this involved cases in which the employee had worked for them for less than 12 months and 8 per cent involved cases in which the employee intended to take less than eight weeks of PLP (Table 5.20). The majority of employers, however, responded 'other' (63 per cent) and gave verbatim answers such as: 1) It was prior to 1 July 2011 (32 per cent); 2) It was easier for the employee or the employee requested it (23 per cent); 3) Set-up issues or fear of potential issues with Centrelink (10 per cent). The

remaining 35 per cent who responded 'other' gave reasons such as "We're nice people", "Because we thought other people would do it as well", or "We just thought we might as well start doing [it], because [we?] had the system in place already, so we just used it".

Table 5.20 Reasons for voluntarily administering PLP by those organisations that voluntarily administered PLP

And was this a case where:	Per cent
Something else (verbatim responses – see below)	63
The employee was working for your business/organisation for less than 12 months	22
The employee intended to take less than 8 weeks of PPL	8
Don't know	8
Total	101 ^a
N	52
From Verbatim "Something else" responses	
Other	35
It was prior to 1 July 2011	32
It was easier for the employee or employee requested it	23
Set-up issues or fear of potential issues with Centrelink	10
Total	100
N	31

^a Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size. Verbatim responses use unweighted data.

Source: EIPE

The interview data mirrored much of what was said in the verbatim responses to the survey question about voluntary administration. These two employers said they would be happy to voluntarily provide PLP:

"It's not difficult to administer." [Employer # 10001062, small, private sector employer, finance investment services]

"Oh yes... That didn't worry me whatsoever." [Employer # 10001310, small, public sector employer, primary education]

One employer disagreed, however, stating that:

"If someone is with this company for less than 12 months, I think what would happen is the company will not be involved in paid parental leave scheme for them." [Employer # 30003156, large, private sector employer, pest control]

5.3.7 Changes to payroll systems

The EIPE survey also gathered data on changes to payroll practices following the implementation of PPL. Not all employers had formal payroll systems, however. Some 6 per cent of organisations did not rely on formal payroll systems, particularly smaller organisations (10 per cent of all small organisations have no formal system). An overwhelming majority (94 per cent) of all organisations either had a formal payroll system, were planning to get a formal system or used an external accountant. Of those employers who relied on a formal payroll system, external accountant or intended to use a formal payroll system, 39 per cent made changes to their system as a result of the introduction of PPL. Large employers were significantly more likely to

make changes to payroll. Half (51 per cent) of large employers made changes to their payroll systems as a result of the introduction of PPL in comparison to 34 per cent of medium and 30 per cent of small organisations. Among employers without a formal payroll system (27 employers), nine employers stated they made changes to the way the books get done in their organisation following the introduction of PPL.

Among the 39 per cent of employers who made changes to their payroll systems, the majority of changes being made involved updating payroll systems, either employers' own systems (77 per cent) or receiving an update for a commercial payroll system (29 per cent) (Table 5.21).

Table 5.21 Changes made to payroll systems made by those organisations that did make changes

Did your (business/organisation) do any of the following:	Per cent ^a
Update your own payroll system	77
Receive an update for the commercial payroll system used by your (business/organisation) as part of the standard updates provided within the contract with your provider	29
Engage in discussions with your existing external payroll company	15
Something else	10
Purchase a commercial payroll system	5
Separately purchase an update for the commercial payroll system used by your (business/organisation)	5
Enter into a contract with an external payroll company	3

^a Multiple response question. Each question is n=193 – total number of respondents who answered yes they changed payroll systems as a result of introduction of PPL.

Note: Data weighted by employer size.

Source: EIPE

Employer interview data indicates that the payroll changes made were generally not particularly time consuming or costly. What time costs there were tended to be one-off: "We did it ourselves [payroll adjustment] not time-consuming" [Employer # 10001062, small, private sector employer, finance investment services]. Another employer noted that they spent: "Maybe a couple of hours over the whole entire time, but it really wasn't time-consuming" [Employer 10001310, small, pub sector employer, primary education]. Another noted: "it's all worked fine. We just set up a new code in our pay system so that it came out as maternity leave" [Employer # 20002012, medium, not-for-profit sector]. While another said: "it's not too bad. We've just had to adjust all our spread sheets to superannuation and so on so that it doesn't keep accruing... It is a bit of extra work". [Employer # 20002042, medium, public sector employer, local council]

Most organisations associated their main costs with the time demands of setting up:

There hasn't been any direct cost, you know in terms of software upgrades or - it's just really been additional time to set it up and to research, to understand it... Now it's all set up I don't think there's any ongoing time because it's all set up in the payroll [Employer # 20002015, medium, not-for-profit employer, social assistance services]

Changes to the payroll system following the introduction of the Government scheme came: "as an automatic update from my software people, so I just had to include some new codes... I had to create a balance sheet code to put the payments in and out from". Time costs were "marginal". [Employer # 30003389, large, private sector employer, shire council]

Another employer noted some minor changes to their payroll system:

I didn't have any problems because I am a system administrator of our payroll system. So before implementing... We did some changes to the payroll system.... We didn't pay any extra [to payroll] providers but take into consideration for example my time. [Employer #3000 3156, large, private sector employer, pest control]

While this employer also observed that:

"The biggest cost initially was just to set up everything. That's one off. Ongoing-wise there are some costs of course... My expectation originally was higher costs, we ended up with lower costs". Another pointed out that "the [payroll admin] costs are minimal and I can't expect them to change as long as things keep flowing the way they're going" [Employer 30003357, large, not-for-profit sector employer, allied health]

Negative experiences with implementing payroll changes were exceptional. As this interviewee explains, the difficulty in implementing payroll changes in their organisation was related to the complexities associated with using company leave to top-up PLP. This large, private sector employer explained:

"The adaptation (by the payroll provider)... They've done it for everyone, as in - as if the employer is not going to top up nothing... For that to factor for that in payroll... They have to give us a special way to do things and it's taking a lot of our time as well...it's not a simple way." [Employer # 30003003, large, private sector employer, accounting firm]

5.3.8 Costs involved in implementation

The EIPPE survey also asked employers about the costs involved in taking up the new role as administrator of PLP payments. As noted in the Baseline PPL report, prior to the implementation of PPL some employers expressed concern about additional costs, either in staff hours or other financial costs, arising from the implementation of PPL. The survey demonstrates, however, that most employers felt the costs involved in implementing the scheme were minimal. Only 29 per cent of employers stated additional costs were involved in implementing the scheme, responses which varied by organisational size. Medium-sized employers were least likely to report additional costs involved (23 per cent) in comparison to large (33 per cent) and small (32 per cent) employers.

While fewer than one third of employers reported additional costs involved in the implementation of PPL, of those who reported additional costs, an overwhelming majority stated these costs arose from the extra workload taken on by themselves (Table 5.22), although evidence from the interviews would suggest that even this was minimal, a point discussed below.

When asked to consider the cost in terms of staff hours, nearly one-quarter of respondents answered 1-2 hours, another 22 per cent responded 3-5 hours (Table 5.23). Nearly one-third (30 per cent) of respondents felt more than 15 staff hours were needed to implement PPL. No significant differences across organisational size were found.

Table 5.22 Types of costs involved in the implementation of PPL for those organisations that reported additional costs

And did your (business/organisation):	Per cent ^a
Take on extra workload yourself	94
Increase the workload of your current staff to implement the Government's PPL scheme	51
Purchase a payroll update	10
Employ an external consultant to assist in implementing the Government's PPL scheme	9
Hire new staff to implement the Government's PPL scheme	2
Something else	3
N	147

^a Multiple response question.

Note: Data weighted by employer size.

Source: EIPE

Table 5.23 Staff hours needed to implement PPL

How many staff hours it cost to implement PPL ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
0	2	5	5	4
1-2	24	26	18	23
3-5	24	23	20	22
6-15	13	14	10	12
>15	28	23	38	30
Don't know	9	9	9	9
Total	100	100	100	100
N	149	177	175	501
Median hours	17	8	34	22

^a Chi-squared test indicated no statistical significance across Employer Size.

Note: Data weighted by employer size.

Source: EIPE

It was more difficult for respondents to estimate the total cost to the organisation necessary to implement PPL in dollars (Table 5.24). Some 14 per cent of all respondents said they did not know how much it cost the organisation to implement PPL. However, nearly half (45 per cent) of respondents felt that it cost less than \$250 to implement. Overall, one-fifth of respondents reported implementation costs of more than \$1000, with 31 per cent of large employers reporting these costs, more than twice the proportion of small or medium organisations.

In summary, the survey data suggests that the costs to organisations for implementing PPL were minimal. The interview data supports this view.

Table 5.24 Cost of implementing PPL (in dollars)

How much it cost to implement PPL ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
\$1-\$249	51	54	32	45
\$250-\$499	10	9	9	9
\$500-\$999	12	13	11	12
>\$1000	14	13	31	20
Don't know	13	11	17	14
Total	100	100	100	100
N	149	177	175	501
Median cost	\$625	\$496	\$3424	\$1783

^aChi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

Note: Data weighted by employer size.

Source: EIPE

In terms of staff hours, employers expressed the cost was:

Probably about an hour [to setup the payroll system]. It might take me an extra 2 min when I do the payroll run to reconcile what we paid, what we still have to pay... I thought it would, could take up more time, yeah, than what it has. [Employer # 10001062, small, private sector employer, retail telecommunications]

Maybe a couple of hours over the whole entire time, but it really wasn't time-consuming. [Employer # 10001310, small, public sector employer, primary education]

A large, private sector employer described costs more generally:

There would have been costs in time, but I wouldn't say a great cost [regarding all aspects of admin of implementing the scheme].... there's ongoing in monitoring the receipt of the payments and monitoring the account, like the ledger, but that's - I would say minimal. It's absorbed into everyday work. [For the set up] I guess attending information sessions, so that was a couple of hours there for a couple of people and setting maybe a couple of hours. But I wouldn't call that a major cost [agreeing there were some one-off costs & ongoing ones are minimal. [Employer # 30003343, social assistance services]

In terms of total costs to the organisation, employers said these were:

Low costs (overall setting up for the scheme)... One off and then a slight ongoing. [Employer # 20002012, medium, not-for-profit sector, social assistance services]

The biggest cost initially was just to set up everything. That's one off. Ongoing-wise there are some costs of course... My expectation originally was higher costs, we ended up with lower costs [Employer # 3000 3156, large, private sector]

5.3.9 Employer attitudes towards PPL

The EIPE survey also investigated general employer attitudes towards implementing the PPL scheme in the organisation. Nearly three-quarters (74 per cent) of all

organisations agreed or strongly agreed with the statement that the PPL scheme has been easy to implement in the organisation (Table 5.25). When asked whether they agreed that it was better for their organisation if an employee took the BB rather than PLP, the largest proportion of employers responded in a neutral manner, with 41 per cent of all organisations neither agreeing nor disagreeing with the statement. Only 29% of employers agreed that it is better for the business if employees take BB rather than PPL, with a similar proportion of businesses disagreeing with the statement (31 per cent). There are no significant differences in employer attitudes towards PPL across organisational size.

Table 5.25 Employer attitudes towards PPL

	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Extent agree/disagree that PPL scheme has been easy to implement in the business ^a				
Strongly Agree/Agree	70	77	73	74
Neither agree nor disagree	9	3	3	5
Disagree/Strongly Disagree	21	20	24	22
Total	100	100	100	100 ^b
Extent agree/disagree that it is better for business/organisation if employees take BB rather than PPL ^a				
Strongly Agree/Agree	32	28	27	29
Neither agree nor disagree	30	43	45	41
Disagree/Strongly Disagree	38	29	27	31
Total	100	100	100	100
N	149	177	175	501

^a Chi-square test indicates that this is not statistically different across employer size.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

5.3.10 Employer attitudes and experiences with PPL: interviews

In general, the attitudes evident in the survey were mirrored in the interviews as well. As this employer explained, they felt the introduction of PPL took pressure off them to negotiate their enterprise agreement:

Well for employers I suppose it just adds onto our maternity leave, our six weeks. I suppose it takes the pressure off us a bit to extend that because now they [they're?] getting the 18 weeks plus the six weeks. Yeah I don't think there's going to be as much pressure when we come to negotiating our enterprise agreement to extend that because of the government scheme. [Employer # 20002015, medium, not-for-profit sector employer, social assistance services]

Some employers were positive about the scheme in relation to their workforce, as these quotes demonstrate:

I think it's very beneficial. I think particularly from [for a] lower paid workforce it's an exceedingly good thing. [Employer # 20002305, large, private sector employer, primary and secondary education]

It's beneficial, definitely [to] employees mainly, yeah. But if our employees are happy then we're happy as well. [Employer # 20002012, medium, not-for-profit sector employer, social assistance services]

It's (government PPL scheme) definitely of benefit to the person. If it gets people back in a better frame of mind, so there's not so much pressure when they're away starting a family or growing family. That would be a benefit to us as well. [Employer 20002304, medium, private sector employer, retail telecommunications]

It's a very big plus for us, having women getting... Some money, even if it's from the government. So there's a lot of pluses and minuses but not many minuses. [Employer # 30003156, large, private sector employer, pest control]

And one employer, while initially unhappy with the scheme, felt the introduction of PPL was likely to lead to an improvement in the return to work from the employee.

I initially thought... That was just an excuse really for the employer to do the administrative work. But... we have stayed in touch more because they're receiving payments. ... So I've sort of changed my view a bit, that maybe that does make you stay in touch a bit more. [Employer # 20002015, medium, not-for-profit sector employer, social assistance services]

Some employers were more cautious at this stage, seeing neither positive nor negative outcomes for the business. *"I'd say it's [the scheme] fairly neutral to be honest [in terms of positive or negative outcomes for the organisation]."* [Employer, 20002070, large, private sector employer, insurance]

When asked whether PPL is beneficial to the organisation, this employer said,

Hard to tell yet, again, you know it's still in its early stages and still to be - see the results of it. (Interviewee A) My own, personal opinion is it's an advantage to the employer. (Interviewee B) [Employer # 30003357, large, not-for-profit sector employer, health services]

A number of small employers, who seem to have had the most problems with implementing and administering the scheme, were more negative in their views, illustrated by this quote.

I don't agree with it [the scheme]... I think it's your choice to have a baby... probably the time that they're off, maybe longer because of the paid parental, so I suppose that's a negative from the company. [Employer # 10001062, small, private sector employer, finance investment services]

Two small employers felt that the PPL scheme encouraged employees to have children or take more time off after having a baby.

Maybe they would have longer off than they were going to because they have been paid during the time... They only planned to take off like three, four, five months but now I think they're taking it out to the 12 months [which interviewee attributes to the payment facilitating this]. [Employer # 10001062, small, private sector employer, finance investment services]

My view is she may not have had this baby if it hadn't been for the government money coming in. [Employer # 10001310, small, public sector employer, primary education]

But the ability to take time off, even more time than prior to PPL, was viewed by some employers as a positive development, as the following quotes illustrate.

Yes. It does help there - a lot of families especially when they just started. Most people are taking more time off than what they would have I think. [Employer # 30003003, large, private sector employer, accounting firm]

Having some money coming in, I do believe it will give them the freedom to stay longer (on leave). [...] I do believe a lot of women put having baby on hold for a while and now have this opportunity to have some paid leave and are just taking this opportunity and can have a baby. [Employer # 30003156, large, private sector employer, pest control]

5.3.11 Section summary

This section evaluated the management of PPL within the organisation. It has considered how employers sourced information and registered for the scheme, their experience in making payments, voluntary administration of PPL, changes employers made to payroll systems, costs involved in implementing PLP, and employers' general attitudes towards the scheme.

In regards to the sourcing of information, this section looked at where employers found information on PPL, the ease of finding this information, and the accuracy and helpfulness of this information.

- Employers sourced information from a number of sources, including government websites (39 per cent), non-advertising media such as news and radio (29 per cent) and Centrelink offices (22 per cent).
- Employers found it easy to source information about PPL: 83 per cent of all organisations agreed or strongly agreed that it was easy to get information.
- Small and medium-sized employers found sourcing information relatively more difficult than large employers: 17 per cent of small and 14 per cent of medium-sized employers disagreed or strongly disagreed that it was easy to get information about the PPL scheme.
- Nearly all (92 per cent) employers agreed or strongly agreed that the information about the PPL scheme was accurate, and 89 per cent agreed or strongly agreed that the information about the PPL scheme was helpful.
- The interviews with employers suggest that there were only minor difficulties in obtaining information about the PPL scheme in the beginning. In general, finding information was relatively easy and unproblematic.

Employers also found registering for the PPL scheme to be easy:

- Two-thirds (68 per cent) of all employers agreed or strongly agreed that it was easy to register for PPL. There are no significant differences across organisational size.
- The interview data confirms the survey data, suggesting that there were only minor difficulties in registering for the scheme.

In addition, employers were asked about making payments and administering the scheme:

- The majority of employers felt it was easy to organise payments for PPL: 79 per cent of all organisations agreed or strongly agreed that this was the case. Just 18 per cent of employers disagreed or strongly disagreed with the

statement that it was easy to organise payments for the PPL scheme. There are no significant differences across organisational size.

- Experiences with respect to whether organising payments was time consuming were mixed. About half of employers did not find it to be time consuming. However, some 41 per cent of all organisations agreed or strongly agreed that organising payments for PPL had been time-consuming.
- Large and small employers were significantly more likely to agree or strongly agree that organising payments was time consuming: 46 per cent of large and 46 per cent of small employers found it time-consuming in comparison to 30 per cent of medium employers.

Several key themes emerged from the interviews in relation to employers' experiences in administering the scheme.

- Employer experiences as providers of PLP varied. Some employers were positive and saw their new role as beneficial, some employers were ambivalent and some employers were negative and did not feel their role was necessary.
- Most employers felt it was too early to see if PPL would lead to improved retention in the organisation. Yet some employers offered their views on potential retention effects, ranging from no expected effect to seeing PPL as beneficial for retention because it connects the employee to the organisation during leave.

In terms of voluntary administration of the PPL scheme, this section reports that:

- Only 10 per cent of employers had administered the scheme voluntarily.
- Public sector employers were significantly more likely to administer the scheme voluntarily: 16 per cent of public sector organisations (including 100 per cent of Commonwealth public service employers) voluntarily administered the scheme in comparison to 9 per cent of private sector organisations and 9 per cent of not-for-profit organisations.
- Voluntary administration of PPL could occur under a variety of circumstances, including, for example, administration of the scheme for children born or adopted prior to 1 July 2011, voluntary administration where the employee had worked less than 12 months for the employer and voluntary administration where the employee intended to take less than 8 weeks of PLP.

In addition, this section looked at changes made to payroll practices.

- Less than half (39 per cent) of employers reported making payroll changes.
- Among those employers who reported changes, these changes often included updating the employers' own payroll system (77 per cent), receiving an update from a commercial system (29 per cent) and discussing payroll changes with an external company (15 per cent).
- In the interviews, employers expressed that payroll changes were not seen to be particularly time-consuming or costly.

This section also assessed employers' views about the costs involved in implementing PPL.

- Employers felt costs involved in implementing PPL were minimal.
- Only 29 per cent of employers reported additional costs were involved in implementing PPL.
- Among the 29 per cent of employers who felt additional costs were involved, almost all (94 per cent) said these costs involved taking on extra workload themselves, while half (51 per cent) said the workload of current staff had been increased to implement PPL.

- In terms of staff hours needed to implement PPL, 23 per cent of organisations reported only 1-2 hours were needed. A further 22 per cent reported implementation required 3-5 staff hours and 30 per cent of all employers reported the implementation of PPL took 15 staff hours or more.
- The actual cost to organisations to implement PPL was low. Nearly half (45 per cent) of employers estimated the cost to the organisation to implement PPL was between \$1- \$250.
- The employer interviews support the idea that the costs to implement PPL were minimal.

Lastly, this section looked at general attitudes towards PPL in the organisation.

- Nearly three-quarters (74 per cent) of all organisations agreed or strongly agreed with the statement that the PPL scheme had been easy to implement in the organisation.
- When asked whether it was better for their organisation if an employee took the BB rather than PPL, the largest proportion of employers responded in a neutral manner, with 40 per cent of all organisations neither agreeing nor disagreeing with the statement.
- The positive and at times ambivalent general attitudes of employers towards the PPL scheme evident in the survey were mirrored in the interviews.

5.4 Managing PLP with Employees

This section looks at how organisations managed PLP with their employees. It focuses on how employers provided information, discussed the take-up of PLP, and organised work while an employee was on leave. It also considers whether grievances have been lodged.

5.4.1 *Providing information to employees*

The EIPE survey assessed whether employers offered their employees general information about PPL and any steps the organisation might take to provide this information. Few organisations reported informing their employees more generally about PPL (Table 5.26): 78 per cent of all organisations did not provide employees with general information on PPL, although this varied significantly by employer size. Large organisations were much more likely (29 per cent) than small (14 per cent) or medium (18 per cent) sized organisations to inform their employees about PPL more generally.

Among the employers who provided information to their employees about PPL, 35 per cent provided information on the company website and 33 per cent provided information about PPL in a company newsletter (Table 5.27). More than one-third (39 per cent) of employers reported doing 'something else' to inform employees about PPL. By far, the most common verbatim response to doing 'something else' was providing information through a group email/employee handbook/general noticeboard/policy manual (given by 68 per cent of employers who reported doing 'something else' to inform employees). Less common responses to doing 'something else' was providing information directly to the employee, providing information through staff meetings, or through informal meetings.

Table 5.26 Do employers inform their employees about PPL?

Has your (business/organisation) done anything to inform employees more generally about the Government's PPL scheme? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	14	18	29	21
No	85	80	70	78
Don't know	2	1	2	2
Total	100 ^b	100 ^b	100 ^b	100 ^b
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Table 5.27 Means of informing employees about PPL in organisations that informed employees about PPL

If your business/organisation did something to inform your employees about PPL, did you do any of the following?	Per cent ^a
Provide information on company website	35
Something else	39
Include information in a newsletter	33
Organise informational meetings/seminars	18
N	109

^a Multiple response question.

Note: Data weighted by employer size.

Source: EIPE

5.4.2 Discussing leave take-up with employees

The EIPE survey asked employers about how and when their employees discussed the planned take-up of PLP. The timing of this discussion varied widely across organisational size (Table 5.28). In two-thirds of small organisations, employees had approached their manager about PPL before they were six months pregnant. In comparison, this happened in 52 per cent of medium sized organisations and 34 per cent of large organisations. For 28 per cent of large organisations, the respondent did not know when the employee approached their manager about taking PLP.

The EIPE survey also revealed variation in whether employers discussed leave options with their employees once an employee informed them of their pregnancy (Table 5.29). A total of 83 per cent of all organisations either discussed leave options formally, informally or both. While nearly two-thirds (63 per cent) of all organisations either provided information or discussed leave options informally, this percentage is somewhat higher among large organisations (67 per cent) than small (62 per cent) and particularly medium (59 per cent) sized organisations. Medium and large sized organisations are significantly more likely than small organisations to discuss leave options formally, and 17 per cent of small organisations did nothing to discuss leave options with employees after they had been informed of the pregnancy in comparison to 13 per cent of medium and 6 per cent of large employers.

Table 5.28 Timing of employee approaching manager about PLP take up

At what stage of pregnancy did the employee approach the business or their manager about taking PPL? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Before 6 months pregnant	66	52	34	50
6 months pregnant	9	15	13	13
7 months pregnant	4	8	10	7
8 months pregnant	5	8	4	6
9 months pregnant	2	2	1	1
After birth	4	4	6	5
Employee didn't approach business/manager	3	2	5	3
Don't know/refused	6	10	28	15
Total	100	100	100	100
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at P<0.05.

Note: Data weighted by employer size.

Source: EIPE

Table 5.29 Do organisations discuss leave options with employees?

When an employee advises your (business/organisation) that they are pregnant, does your (business/organisation) discuss the various leave options available to employees?	Employer Size			All Organisations (per cent) ^a
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes, discuss formally or have a meeting	26	35	36	33
Yes, provide information or discuss informally	62	59	67	63
No ^b	17	13	6	12
Don't know/refuse ^b	2	5	9	5
N	149	177	175	501

^a Multiple response question

^b Chi-square test indicates that this is significantly different across Employer Size at P<0.05.

Note: Data weighted by employer size.

Source: EIPE

Among employers who provided information about leave or discussed leave-taking with their employees more generally, whether the employer approached the employee or vice versa depended on the size of the organisation (Table 5.30). Small-sized employers were significantly more likely to approach the employee, whereas the opposite is true of large organisations. Medium employers were nearly as likely to approach the employee as to have the employee approach them for information.

Among the 83 per cent of employers who discussed leave options available to their employees, an overwhelming majority of employers discussed the Government's PPL scheme (86 per cent, Table 5.31). More than three-quarters (79 per cent) of

employers who discuss available leave options also discuss an employee's entitlements under the National Employment Standards. The lower numbers of employers who discussed employer-provided leave reflects the fact that 64 per cent of employers surveyed offered no form of employer-provided paid leave (see Table 5.2). Some 38 per cent of employers who discussed leave options with employees reported discussing the BB option with their employees.

Table 5.30 Did employer or employee mention PPL option first?

For employers who provide information or discuss informally: who usually mentions option of PPL first ^a	Employer Size*			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
You/Your business/organisation	47	41	27	38
Your employee	35	44	59	46
Both of us, both talked about it at the same time	14	13	8	12
Don't know/refused	5	3	7	5
Total	100 ^b	100 ^b	100 ^b	100 ^b
N	110	129	117	356

^a Chi-square test indicates that this is significantly different across Employer Size at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Table 5.31 Which leave options are discussed with employees among employers who discuss leave options?

For those who discussed leave options, either formally or informally, which of the following options were discussed with employees?	Per cent
The Government's PPL Scheme	86
Statutory entitlements under the National Employment Standards	79
Employer-provided unpaid leave	41
Employer-provided paid leave	36
BB	38
Other type of leave	26
N	414

Note: Data weighted by employer size.

Source: EIPE

From the perspective of the employer, it would appear few employees directly approached their employer for information specifically about PPL. In response to the statement, "In general, employees get information about the PPL scheme on their own, independent of business/organisation", 76 per cent of all organisations agreed or strongly agreed (Table 5.32). More small employers (85 per cent) agreed or strongly agreed with this statement than medium (68 per cent) or large (77 per cent) sized organisations. Some 14 per cent of large and 20 per cent of medium sized organisations disagreed or strongly disagreed with this statement, suggesting that employees in smaller organisations were more likely to gain information outside the workplace.

When employees approached the employer or manager about their intent to take PLP, in only 37 per cent of cases did they ask for information about PPL from someone in the organisation (Table 5.33). In 13 per cent of cases, employees did not request any information about PPL because the employer had already provided this information. Employee requests for information do not differ significantly across employer size.

Table 5.32 Whether employees obtain information about PPL on their own, independent of the organisation

In general, employees get information about the PPL scheme on their own, independent of business/organisation ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Strongly Agree or Agree	85	68	77	76
Neither Agree nor Disagree	4	12	10	9
Disagree or Strongly Disagree	11	20	14	15
Total	100	100	100 ^b	100
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at $p < 0.05$.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Table 5.33 Employees approaching organisation for information on PPL

For employees who approached employer/manager about PPL, did they ask about PPL specifically? ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes, spoke with the respondent or someone else in the business/organisation	29	45	39	37
No, didn't speak with anyone	57	43	45	48
No, employer had already provided more general information on the Government's scheme	15	10	15	13
Don't know	0	3	2	2
Total	100 ^b	100 ^b	100 ^b	100
N	135	156	117	408

^a Chi-square test indicates that this is *not* significantly different across Employer Size.

^b Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

Among those employees who approached their employer or manager with questions about PPL, the most common question was in regards to the application for PLP (Table 5.34). These kinds of questions were closely followed by questions about payments, including how the money would be received (70 per cent), the duration of

the payment (69 per cent) and the amount of the payment (64 per cent). More than half (59 per cent) of employees requesting information about PPL from their employer also asked when the government scheme would start. Employers fielded fewer questions about employer-paid leave in relation to PLP (36 per cent), tax-related questions (34 per cent) or the income test (23 per cent).

Table 5.34 Kinds of information on PPL sought by employees among those who approached their employer or manager for information

For employees who approached employer/manager to specifically ask about PPL, what type of information did they ask about:	Per cent ^a
How an employee should apply and to whom (eg how the scheme works)	81
How the money would be received	70
The duration of the entitlement	69
The amount (of pay) of the entitlement	64
When the government scheme would start	59
Whether their existing employer scheme would continue to be paid as currently	36
Tax-related questions	34
The income test	23
Some other information	11
N	151

^a Multiple response question.

Note: Data weighted by employer size.

Source: EIPE

The provision of information to employees was further discussed in the interviews. But most employers said that they did not receive many requests for information, and when they did, that they generally referred employees to Centrelink:

When the first paid parental leave scheme was announced and introduced, there was some questions from staff saying, well, do I get this instead of the [employer] one or is it in combination? How does it work? Can you take two at the same time?... I tried to answer them. If they were specific questions about the paid parental leave, I would refer the staff member or the employee to the Centrelink website, because they had a really good question and answer section in there. [Employer # 30003389, large, public sector employer, shire council]

I may have expected some employee questions but we haven't actually had many, if any... We generally point them in the direction of Centrelink because it's not really our place to tell them all the information about what Centrelink will do. [Employer 30003357, large, not-for-profit sector, health services]

A private medium-sized employer said they'd received:

The odd question, but as I said it's more what I've found even before paid parental leave just with taking maternity leave there's - it's good to have someone to talk through about that, what it means and providing some sense of security to them." [Employer # 20002070, insurance]

5.4.3 Organisation of work

The EIPE survey collected data on how organisations manage the workload when someone takes PLP. The majority of employers either assign work temporarily to other employees within the business/organisation (69 per cent) and/or hire an outside temporary replacement (57 per cent) (Table 5.35).

Table 5.35 How organisations organise work when someone takes PPL

How do organisations cover work when someone is on PPL?	Per cent ^a
Assign work temporarily to other employees within the business/organisation	69
Hire an outside temporary replacement	57
Hire permanent replacement	19
Put the work on hold until the employee returns from leave	6
Have the employee perform some work while on leave	9
Something else	2
Don't know	1
Doesn't do anything	-
N	501

^a Multiple response question.

Note: Data weighted by employer size.

Source: EIPE

When asked which method they relied on most when someone took PLP, 44 per cent of employers said they relied most on hiring an outside temporary replacement and 32 per cent relied most on assigning work temporarily to other employees (Table 5.36). Some 14 per cent responded that the method they relied on most depended on the job or the employee.

Table 5.36 Most relied on methods for organising work when someone takes PLP

The method businesses/organisations MOST RELY ON when an employee takes up Government-funded PLP:	Per cent
Hire an outside temporary replacement	44
Assign work temporarily to other employees	32
Depends on the job/employee	14
Hire a permanent replacement	7
Put the work on hold until the employee returns from leave	2
Have the employee perform some work while on leave	1
Total	100
N	253

Note: Data weighted by employer size.

Source: EIPE

Employers used a variety of methods to organise work when an employee takes PLP. One small employer tried to cover the workload by stretching internal resources:

Facilitator: *Is there someone replacing her while she's on leave?*

Interviewee: *No. Not a separate person. No... My brother and my nephew have covered her job. [Employer # 10001037, small, private sector employer, printing]*

Another small employer used casual employees to cover the work while their employee was taking PLP:

I have to put someone on in lieu of the other person. They're on casual sort of rates. [Employer # 10001079, small, private sector employer, optometrist]

5.4.4 Grievances

Lastly, employers were asked whether they knew of any grievances lodged by employees, or whether their employees had been in touch with the Fair Work Ombudsman in relation to PLP. An overwhelming majority of employers (98 per cent) said that they did not know of any such grievances, or approaches to the Fair Work Ombudsman. Only 1 per cent of small and medium organisations reported employees lodging grievances or having contact with the Fair Work Ombudsman in relation to PLP. Some 4 per cent of large employers did not know whether any grievances had been lodged.

5.4.5 Section summary

This section addressed the way in which organisations managed employees and PLP, such as the provision of information about PPL, employee requests for information about PPL, discussions about leave options, the organisation of work when employees take PLP and any grievances lodged in relation to PPL.

- Most employers (78 per cent) did not provide employees information more generally about PPL, but this differed by organisational size. Large organisations (29 per cent) were significantly more likely to provide information about PPL than medium (18 per cent) or small (14 per cent) organisations.
- Of those employers who did provide information about PPL, this information was usually provided via the company website, in a newsletter, or in a group email/staff meeting/employee handbook.

When and how employees approach their employers for information about PPL varied by organisational size.

- Among small employers, 66 per cent reported that their employees approached the organisation or manager about taking PLP before they were six months pregnant in comparison to 52 per cent of medium and 34 per cent of large employers.
- The survey data show that once an employee informed their employer they were pregnant, employers usually discussed leave options with the employee formally (33 per cent) and/or informally (63 per cent).
- Among employers who discussed leave options with their employees, 46 per cent stated that the employee approached the employer first and 38 per cent reported that the employer approached the employee first.
- The data demonstrate that various possibilities were discussed if employers and employees talk about taking leave around the birth of a child, including the Government's PPL scheme (86 per cent) and entitlements under the NES (79 per cent).
- Three-quarters of employers (76 per cent) agreed or strongly agreed with the statement that employees got information about PPL on their own, independent of the organisation.
- When employees approached employers for information about PPL, they most often requested information about how to apply for the scheme (81 per cent), how the money will be received (70 per cent), the duration of the entitlement (68 per cent) and the amount of the entitlement (64 per cent).

- When employees took leave, organisations often arranged to cover work by assigning work temporarily to other employees (69 per cent) and by hiring outside temporary replacements (57 per cent).

This section also evaluated employer knowledge of grievances lodged or contact with the Fair Work Ombudsman.

- Nearly all employers (98 per cent) reported they had no knowledge of grievances lodged by employees, or contact with the Fair Work Ombudsman in relation to PPL.

5.5 KIT provisions

The PPL scheme offers KIT provisions to facilitate employees' return to work and to maintain attachment to the workplace. KIT days could include employee participation in a conference, planning day, workshop, a training day, or on-the-job training for example. The use of KIT provisions must be agreed upon by both the employee and the employer, and employees can take up to 10 KIT days before the end of their PPL period without losing their PLP entitlements. They are paid for these days by their employer at their normal rate of pay. The use of KIT provisions discussed here refers to formal KIT days as provided for by the PPL legislation and include either structured (e.g. agreed upon fortnightly or monthly KIT days) or unstructured (e.g. agreed upon KIT days for a one-time meeting or training day) KIT arrangements.

5.5.1 Awareness, intent to use and structure of KIT provisions

The EIKE survey data suggest that awareness of the KIT provisions is evenly split across all organisations with 50 per cent of employers stating they were aware of the KIT provisions (Table 5.37). Awareness of the KIT provisions varies by organisational size. Large organisations were much more likely to be aware of the KIT provisions (62 per cent) than medium (48 per cent) and particularly small (38 per cent) organisations.

Table 5.37 Employer awareness of KIT provisions

Whether aware of KIT provisions ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	38	48	62	50
No	61	52	36	49
Don't know	1	0	2	1
Total	100	100	100	100
N	149	177	175	501

^a Chi-square test indicates that this is significantly different across Employer Size at $P > 0.05$.

Note: Data weighted by employer size.

Source: EIKE

Interviews confirmed that many organisations were not aware of the KIT provisions. In fact, the subject of KIT provisions was an area where employers showed the least awareness of what the PPL legislation entailed. Following requests for this information during the interview, ten employers were given the PPL assistance email address to obtain further information.

The EIKE survey shows that among employers aware of the KIT provisions, a large percentage of employers aware of the KIT provisions intended to use them (79 per cent) (Table 5.38). The intent to use KIT provisions varied across organisational size.

In contrast to the low awareness of KIT provisions among small employers, among employers who were aware of the KIT provisions, small employers reported the highest intent to use them (87 per cent), followed by medium (82 per cent) and large (72 per cent) employers.

Table 5.38 Employer intent to use KIT provisions among organisations aware of KIT provisions

Whether business/organisation plans to use KIT provisions ^a	Employer size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	87	82	72	79
No	11	13	11	12
Don't know	2	5	17	10
Total	100	100	100	100 ^c
N ^b	57	85	108	251

^a Chi-square test indicates that this is significantly different across Employer Size at $P > 0.05$.

^b Weighted number of employers who had heard of KIT provisions.

^c Does not equal 100 per cent due to rounding.

Note: Data weighted by employer size.

Source: EIPE

5.5.2 Employee use of KIT provisions

Employers who were aware of the KIT provisions were asked whether any of their employees taking PLP had used the KIT provisions. Half of employers (51 per cent) that were aware of the provisions said that employees had used at least one KIT day (Table 5.39), with a significantly higher percentage of KIT usage among employees in small organisations (62 per cent) in comparison to medium (54 per cent) or large (42 per cent) organisations. The number of employees that used KIT provisions is generally low: in organisations that have used the KIT provisions, 58 per cent reported only one employee had used a KIT day within the organisation. Only 11 per cent of organisations reported more than one employee had used KIT provisions, and 30 per cent of organisations did not know how many employees had used them.

In addition, in organisations where KIT provisions had been used, the use of KIT provisions was unstructured (being used for the occasional training day, conference or meeting) 80 per cent of the time, but this percentage is significantly higher among small (89 per cent) and medium (84 per cent) employers. One-third of large employers that used the provisions made use of structured (e.g. regularly scheduled days on a fortnightly or monthly basis) keeping in touch arrangements.

Among the 41 per cent of organisations who reported their employees had *not* made use of KIT provisions, 17 per cent stated that their employees were planning to use KIT provisions in the future, ranging from 13 per cent of small organisations, to 17 per cent of large and 21 per cent of medium organisations.

Table 5.39 Employee use of KIT provisions among organisations aware of KIT provisions

Whether employees in business/ organisation had used KIT provisions ^a	Employer Size			All Organisations (per cent)
	Small (per cent)	Medium (per cent)	Large (per cent)	
Yes	62	54	42	51
No	36	43	43	41
Don't know	2	3	15	8
Total	100	100	100	100
N	57	85	108	251 ^b

^a Chi-square test indicates that this is significantly different across Employer Size at $P < 0.05$.

^b Total number of employees who were aware of KIT provisions.

Note: Data weighted by employer size.

Source: EIPE

5.5.3 Employer experience with KIT provisions

EIPE survey data indicate that 59 per cent of all organisations that used the KIT provisions felt that this use had benefitted the organisation in some way. Large and small employers were significantly more positive in this regard (67 per cent and 71 per cent respectively) than medium employers, of whom less than half (42 per cent) felt the KIT provisions had been beneficial. Of the 128 employers who felt that the KIT provisions had been beneficial, 76 employers provided examples of ways in which these provisions had benefitted the organisation. Their verbatim responses can be categorized into four broad groups:

- 1) It helped to keep the employee up-to-date, engaged with the organisation and eased return to work (59 per cent);
- 2) Keeping in touch with their employee was viewed as important in general, or was seen as a way to find out how the employee was doing while on leave (20 per cent);
- 3) It allowed the organisation to have access to that employee's knowledge or expertise during their absence (9 per cent);
- 4) It helped with training efforts (either attending or providing training; 4 per cent).

Among those answers that could not be grouped into these broader categories, one employer explained that KIT provisions had, *"helped in terms of planning the staff arrangements in terms of people leaving jobs."* Another employer felt that the KIT provisions had not necessarily been beneficial but helped to neutralize the 'damage' done by PPL: *"I think it's mitigated the damage that the program has done to our organisation, it hasn't benefitted us."*

The interviews with employers highlighted similar benefits. A medium-sized private employer who had not used the KIT days but knew of them said:

I mean if there was training days that we had for groups of where we - we have quite varied groups within our company and if the team that they were on, were having formal training we would actually invite them to that formal training. So that's when we would use it. [Employer # 20002058, medium, private sector employer, management software]

Some employers had proposed the use of KIT provisions but their employee did not want to use them, as in the case of this large, public sector employer:

I did put a proposal forward for her (employee concerned about getting back into the routine of coming into work) to have a day - as a keeping in touch - to come in and do a training course, but she just declined."
[Employer # 30003389, large, public sector employer, shire council]

This same employer felt, however, that they would "definitely" use the KIT days in the future. In addition, two employers in the interviews mentioned that prior to the implementation of PPL, some of their employees used to come back to work on a casual basis while on unpaid (maternity) leave. However, as a result of the implementation of PPL, they had restricted such practices. [Employer # 30003156, large, private sector employer, pest control; and employer # 30003357, large, not-for-profit employer, health services]

5.5.4 Section summary

This section looked at the awareness and use of KIT provisions.

- Half of employers (50 per cent) reported being aware of the KIT provisions.
- Large organisations were much more likely to be aware of the KIT provisions (62 per cent) than medium (48 per cent) and particularly small (38 per cent) organisations.
- Among employers who were aware of the KIT provisions, 79 per cent of employers intended to use them.
- In organisations where employers were aware of KIT provisions, 51 per cent of employers reported that employees had made use of the KIT provisions. This differed significantly across organisational size.
- More than half (59 per cent) of all employers that used the KIT provisions felt the provisions were beneficial to the organisation, with smaller organisations being more likely to have used the provisions.

5.6 Summary: Key points

This section used survey data from 501 employers and interview data from 41 employers who were registered to pay, had paid or were paying PLP to at least one employee as of 1 July 2011. The section outlines the employer role, organisational policies and leave provisions, managing PLP within the organisation, managing PLP with employees, and the awareness and use of KIT provisions.

Few changes were made to employer-paid leave as a result of PPL.

- Only 20 per cent of employers who offered employer-paid leave made changes to these policies leading up to or following the introduction of PPL.
- Medium-sized organisations were significantly more likely to make changes to their existing policies: 30 per cent of medium-sized employers changed their employer-provided leave in comparison to 18 per cent of large and 7 per cent of small employers.
- Nearly half (48 per cent) of the 39 employers who changed their leave policies introduced a new policy in combination with PPL, 42 per cent increased their existing policy by combining it with PLP, 28 per cent created a new stand alone policy and 26 per cent topped up their existing policies and 18 per cent increased their existing policies.
- Among employers who offered paid leave and made changes to employer-provided leave, 13 per cent (5 employers) reduced their existing leave policies and just 11 per cent (4 employers) withdrew their existing policies.

In addition, few changes were made to HR policies as a result of the PPL scheme.

- Only 12 per cent of all organisations made changes to HR practices as a result of the introduction of PPL.
- Large organisations were significantly more likely to make changes to HR practices (17 per cent) in comparison to medium (10 per cent) and small (8 per cent) organisations.
- Among the small number of employers who introduced changes to HR practices, these included introducing processes to manage PLP requests (70 per cent), better managing employee expectations about parental leave (54 per cent), re-educating managers to ensure non-discriminatory behaviour (48 per cent) and checking hiring procedures to ensure there is no bias with regard to women of child-bearing age (41 per cent).
- In organisations with no formal HR policies to manage leave around the birth of a child, only 12 per cent of employers made changes to what the organisation does if an employee informs them they are pregnant.

The evaluation of how PLP was managed within the organisation reveals that few difficulties were encountered in sourcing information, registering for PPL and making PLP payments.

- Employers found it easy to source information about PPL: 83 per cent of all organisations agreed or strongly agreed that it was easy to get information.
- Nearly all (92 per cent) employers agreed or strongly agreed that the information about the PPL scheme was accurate and 89 per cent agreed or strongly agreed that the information about the PPL scheme was helpful.
- The interviews with employers suggest that there were only minor difficulties in obtaining information about the PPL scheme in the beginning. In general, finding information was relatively easy and unproblematic.

Employers found registering for the PPL scheme to be easy.

- Two-thirds (68 per cent) of all employers agreed or strongly agreed that it was easy to register for PPL. There are no significant differences across organisational size.
- The interview data confirms the survey data, suggesting that there were only minor difficulties in registering for the scheme.

Employers also found making payments easy, but sometimes time consuming.

- The majority of employers felt it was easy to organise payments for PLP: 79 per cent of all organisations agreed or strongly agreed that this was the case. Just 18 per cent of employers disagreed or strongly disagreed with the statement that it was easy to organise payments for PLP. There are no significant differences across organisational size.
- Experiences with respect to whether organising payments was time consuming were mixed. About half of employers did not find it to be time consuming. However, some 41 per cent of all organisations agreed or strongly agreed that organising payments for PLP has been time-consuming.

Less than half (39 per cent) of employers reported making payroll changes to implement PLP.

- Among those employers who reported changes, these changes often included updating the employers' own payroll system (78 per cent), receiving an update from a commercial system (30 per cent) and discussing payroll changes with an external company (15 per cent).
- In the interviews, employers said that payroll changes were not seen to be particularly time-consuming or costly.

Both the survey and interview data confirm that employers felt costs involved in implementing PLP were minimal.

In terms of more general attitudes to the scheme:

- Nearly three-quarters (74 per cent) of all organisations agreed or strongly agreed with the statement that the PPL scheme has been easy to implement in the organisation.
- When asked whether it was better for their organisation if an employee took the BB rather than PLP, most employers responded in a neutral manner, with 40 per cent of all organisations neither agreeing nor disagreeing with the statement.
- The positive and at times ambivalent general attitudes of employers towards the PPL scheme evident in the survey were mirrored in the interviews.

Lastly, awareness of KIT provisions is low, but intended use among employers aware of KIT provisions is high.

- Half of employers (50 per cent) reported being aware of the KIT provisions.
- Among employers who were aware of the KIT provisions, 79 per cent of employers intended to use them.
- In organisations where employers were aware of KIT provisions, 51 per cent of employers reported that employees had made use of the KIT provisions. This differed significantly across organisational size, with smaller organisations more likely to have used the provisions than large ones.
- More than half (59 per cent) of all employers that used the KIT provisions felt the provisions were beneficial to the organisation.

6 MAIN FINDINGS AND IMPLICATIONS

This report has analysed the development of the PPL scheme and its early operation, focusing on the scheme's immediate outcomes and initial operation. In this final chapter, the main findings are summarised, and their main implications are outlined. In particular, any aspects of the scheme that may need modification or monitoring are identified.

6.1 Managing implementation

In general, the management of the implementation process has enabled key scheme expectations to be met.

6.1.1 Main Findings

The results of the PI study suggest that the PPL Branch of FaHCSIA and Centrelink, with oversight from the PPL IDC successfully managed the implementation process. The development of the detailed policy led by FaHCSIA staff and the development of administration and IT systems led by Centrelink staff, benefited from consultations with a wide range of key stakeholders and helped to promote the objectives of the scheme while minimizing the impact on employers. The PPL Act was drafted to cover the main elements of the scheme, supported by a legislative instrument, the PPL Rules, to determine eligibility in exceptional cases as well as some administrative matters.

6.1.2 Implications

While internal and external factors shaped the management of the implementation process, they did not impede successful and timely implementation of the scheme. No further actions are suggested.

6.2 Implementation and Delivery

The evaluation has found that the implementation and delivery of the PPL scheme has enabled scheme milestones to be met.

6.2.1 Main Findings

Data from FaHCSIA show that in the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme. Around 125,000 families received Parental Leave Pay, excluding those whose payment started in 2010-11 and finished in 2011-12. 98.6 per cent of recipients took the full 18 weeks of payments. The median annual income of PLP recipients during this period was \$44,350.

Prior to implementation, a large communication campaign was undertaken to inform families and employers about PPL and ensure effective delivery of the scheme. This was supported by Centrelink business as usual communication products including web-based information. The Centrelink Business Hotline was a key source of information for employers and was effective in minimizing the impact of the scheme on employers. Few complexities arose in determining eligibility for PLP claimants. However, the results of the PI study suggest that the processing of PLP claims in the first year of the scheme's operation has met with some difficulties. There was some confusion among PLP applicants regarding proof of birth and the timing of payments, in particular relating to PLP payments only being payable post birth. Centrelink also

reported that some PLP recipients did not understand when payments would start. The PI study also revealed several factors relating to the timeliness of claim processing during the first year of operation. While electronic claim forms are popular, if changes to the online form are necessary they cannot be carried out immediately because this requires a major systems release from Centrelink. These system releases occur quarterly. In addition, the occurrence of two natural disasters in the state of Queensland, Cyclone Yasi and the Queensland floods, impacted on Centrelink's capacity to process PLP claims around the time of the disasters.

6.2.2 Implications

It will be important to monitor payment timeliness on an ongoing basis. In addition, future monitoring of PLP recipients continues to be necessary to measure take-up as well as the functioning of the scheme in relation to the stated objectives of the scheme.

6.3 Uptake

Overall, the scheme's uptake, measured by the number of PLP recipients and the cost of providing payments, has been much as expected.

6.3.1 Main Findings

Of mothers who had babies in 2011-12, approximately 44% received PLP and 55% received the Baby Bonus. Note that some mothers received both PLP and Baby Bonus due to the presence of multiple births.

Most mothers who were eligible for PLP had the choice of applying for the BB instead. The evaluation estimated that about 17 per cent of mothers who were likely to be eligible for PLP chose to take the BB rather than PLP. Mothers who took the BB in preference to PLP differed from those who chose PLP in a number of ways. Overall, they were more likely to be disadvantaged on various dimensions (e.g., more likely to be single mothers, more likely to have low earned incomes, and more likely to have been working on casual contracts before the birth).

6.3.2 Implications

These results suggest that, in the main, the PPL scheme has been taken up by mothers very much in line with the aims of the scheme. Nevertheless, the characteristics of mothers who chose the BB over PLP suggest that some monitoring of this group is appropriate. Other parts of the evaluation (see below) indicate that mothers' judgements about which payment gave them greatest financial benefit are central to their decisions about which to take. Given that mothers with lower taxable incomes will tend to find greater benefit in PLP over BB, the fact that mothers choosing BB are more likely to have low incomes in the year before their baby's birth may not have been expected. This is particularly so given evidence that some mothers misunderstood PLP eligibility requirements in that they believed they would be required to return to work to be eligible for PLP. On the other hand, mothers with less overall financial security may also place greater emphasis on the certainty and familiarity of the BB, compared to PLP. These mothers may also be more likely to take the Baby Bonus as it does not have the restriction to prevent mothers from returning to work during the payment period, as is the case with PPL. Certainly, this issue will bear monitoring in the next phase of the evaluation.

6.4 Information provision and use

The evaluation has found that almost all eligible mothers were aware of the scheme. They gained information from a range of sources and used it in their decision making.

6.4.1 Main Findings

The evaluation found strong evidence that government communications or government supplied media information had alerted almost all potential applicants to the PPL scheme. Similarly, it was found that Government sources (websites and relevant offices) were the main source of PPL information for most mothers. Many mothers actively chose between PLP and the BB, with financial factors dominating the reasons for their choice of one benefit over the other. The Centrelink website provides an online estimator to allow mothers to compare the financial outcome of choosing PLP or BB. Mothers generally found the online estimator useful and said that the information it provided was important in their decision making.

Similarly, most employers found it easy to find the information they needed about the scheme. They used similar sources to mothers, and generally found the Government information to be accurate and helpful.

Overall, these results indicate that the communication campaign and business as usual information provision arrangements for the PPL scheme worked well. Nevertheless, there were indications that some mothers found the information confusing, or misunderstood their eligibility. And some employers (clearly a minority) found it more time consuming than they would have liked to source the information about PPL that they needed.

6.4.2 Implications

These results provide strong evidence that the Government's communication campaign and business as usual information products have been successful in providing mothers and employers with accurate, useful information about the PPL scheme. It will be important to continue to monitor the effectiveness of this information provision as the scheme becomes more routinised, and more mothers and their social contacts have experience with it. There remains a small group of mothers who may misunderstand their eligibility for PPL and/or the benefits they may derive from it. It will be important to monitor this group, and clarify their situation. In addition, it is likely that small employers (2-20 employees) who have not previously had experience of PPL will be required to provide PLP to employees in the years to come. This will occur both because of the small number of employees in these firms, and the frequent establishment of new small firms (and closing of older ones). It will be important to monitor information provision to this group and their ability to source information as the scheme progresses.

6.5 Decision Making

Most mothers who took PLP were also eligible for the BB. Whether tacitly or explicitly, they made a decision to take one payment over the other, as did mothers who took the BB although they were likely to be eligible for PLP.

6.5.1 Main Findings

Nearly two thirds of mothers who took the PLP did not seriously consider the alternative of taking the BB. On the other hand, three quarters of mothers who took

the BB did consider PLP as an alternative. Thus, a large group of mothers appeared to indicate that there was little conscious decision making involved in choosing which benefit to take. Nevertheless, three quarters of mothers who took PLP also said that they chose this benefit essentially for financial reasons, and the same proportion said that they had used the online estimator to compare the outcome for them of taking PLP as against the BB. Other important factors in mothers' decisions included the time that PLP allowed them to take off work to spend with their babies for those who took PLP, and the fact that they did not need to take time off work to get the benefit for those who took the BB. Overall, there was little evidence that employers played a significant role in mothers' decision making, particularly about which benefit to choose. Employers generally indicated that mothers themselves found the information about the PPL scheme they needed, without needing or expecting employer assistance. Discussions between employers and mothers were generally focused around the practical and administrative matters associated with taking PLP. A small proportion of mothers attributed their decisions to factors that suggested they misunderstood the eligibility requirements for PPL.

6.5.2 Implications

Financial considerations are clearly the dominant factor in many mothers' decision making about whether to take PLP. The information available to mothers, particularly through the online estimator, appears to make the decision making process on this score straight forward for most mothers. In this respect, mothers' decisions often align with the policy aim of contributing to the financial security of mothers following the birth of a baby. At the same time, other factors are important for some mothers. It is particularly notable that the length of time available away from work to take care of their newborn baby is an important reason for choosing PLP for a sizeable group of mothers. This conforms closely with another policy aim of the PPL scheme – that of increasing the amount of time mothers are able to spend with their newborn children. In contrast to this group, it is clear that there are some mothers who prefer to take shorter breaks from work following a birth. The option of taking the BB is attractive to these mothers. If the value of the BB diverges from that of PLP over time, as seems likely, it will be important to monitor this group of mothers to ensure that they are not left without financial support they may need following a birth.

6.6 Applying for PLP and registering to pay PLP

In most cases, mothers need to make applications to Centrelink and employers need to register for PLP to be paid to a recipient. Mothers must apply for PLP, and employers must register with Centrelink to allow the funds to be paid to them to provide to recipients. Where mothers have not worked for an employer long enough to require payment of PLP through the employer, and the employer has not volunteered to provide the pay, or where a person does not have an employer (e.g. self employed claimants), the payment is paid through Centrelink and only an application by the mother is required.

6.6.1 Main Findings

Most mothers applied for PLP online, though a significant group (about 15 per cent) did so by lodging a paper claim form with a Government office. While a majority of mothers did find the process of application easy, a large minority did not agree that it was easy. For these mothers, the main issues were the length and detail of the application, the requirements associated with confirming the baby's birth, and difficulties in obtaining help from Centrelink. Some mothers, such as single mothers

and those of Aboriginal or Torres Strait Islander background, were somewhat more likely to experience these problems.

Just over two thirds of employers found it easy to register for PLP. Those that found some difficulty mostly faced minor problems, usually associated with difficulty in easily understanding the process or registering as quickly as they would have liked.

6.6.2 Implications

Mothers' experiences in applying for PLP do suggest that some review of the procedures will be appropriate. Given that a sizeable minority found difficulty with the procedures, it is important to ensure that all of the requirements associated with PLP application are necessary. A particular area that might bear some re-examination is the requirements and process for verifying the baby's birth. The procedures involved in this requirement seemed particularly likely to cause problems for mothers with the least resources available to them (e.g. single mothers). As outlined below, it appears to be an important factor in the delays to the commencement of PLP experienced by some mothers.

On the other hand, the registration procedures for employers appear to have worked well. Most employers did not find them onerous at all, and those that did indicate problems experienced were usually minor issues.

6.7 Payments

The role of employers providing the pay to the majority of PLP recipients introduces a dimension to the payment of benefits not present in other payments administered by the Australian Government. It therefore necessarily involves risks and complexities not present in other systems.

6.7.1 Main Findings

Just over half of mothers experienced no problems in receiving their PLP. However, some 46 per cent experienced at least one problem, with mothers paid through employers being much more likely to experience problems than those paid through Centrelink. By far the most common problem was not receiving one or more payments on time, while some mothers reported that they did not receive one or more payments at all, and others said they received more or less than they expected. Administrative data does not suggest that mothers are missing out on payments. This analysis may reflect that mothers may not fully understand their entitlements, including how many weeks and how much PLP they should receive. This may especially be relevant where mothers have received a lump sum amount in arrears or when they may be taxed more than they expected.

There were strong indications that a significant proportion of mothers had to work hard to overcome these difficulties. This was particularly the case when difficulties arose in the employers' role, since mothers generally reported that Centrelink was not supportive in attempting to solve these problems. There is little doubt that some problems were associated with mothers' own delays in satisfying the birth verification requirements of the PPL scheme.

Employers generally saw providing PLP to employees as fairly straight forward, though many found it quite time consuming. They generally said that they received payments from Centrelink smoothly and on time. Overall, three quarters of employers found the scheme easy to implement, with little evidence that small employers found it more onerous than large ones. One issue noted by some employers was that delays

in mothers taking the actions needed to verify a birth could lead to the need to provide backpay, increasing the administrative burden of the scheme considerably.

6.7.2 Implications

While the majority of mothers did experience a smooth process of PLP payment, the sizeable minority who experienced problems indicates that some monitoring and review of processes is appropriate. It is clear that payment through employers increased the chances that mothers would experience problems, with a majority of mothers paid through employers (54 per cent) experiencing problems of some kind. However, it is also important to bear in mind that the findings reported above relate to a period fairly early in the implementation of a mandatory employer role in payment of PLP, and may constitute teething problems, at least in part. On the other hand, employers appeared to find few difficulties in the process, especially if the birth was verified quickly.

While it is beyond the scope of this evaluation to consider the detail of administrative arrangements, review of procedures in two key areas is likely to be helpful. First, the requirements associated with the verification of a birth do appear to cause delays in payment for a significant number of mothers, particularly those in more precarious financial circumstances. This can translate into real financial difficulties. Moreover such delays sometimes cause added administrative burdens for employers. It would therefore be appropriate to review these requirements. It may be appropriate to consider the risks and benefits of a system in which the birth was presumed to have occurred on the mother's due date unless the mother advised Centrelink otherwise, so long as eligibility for PLP was granted before the birth and an expected date of birth was established at that time. Second, since problems with payments were much more common when mothers were paid through employers, and mothers indicated that they could not find assistance in resolving issues with employers, it is appropriate to consider whether Centrelink might be charged with providing more assistance in this regard. Centrelink has a role in formally ensuring that employers comply with their obligations. At first contact, appropriately trained staff are able to discuss circumstances and clarify any misunderstandings about payment delivery and the employer's role. Employees are encouraged to resolve issues with their employer in the first instance as many issues relate to misunderstandings can be easily and quickly resolved. Otherwise if unable to immediately resolve the problem, staff can provide escalation as required for employers and recipients when problems in payment do occur. Escalation processes include an internal compliance process or referral to the Fair Work Ombudsman.

Lastly, it would be appropriate to consider the possibility of advancing prepayment to employers. Part of the delay in PLP to recipients seems to stem from Centrelink waiting for proof of birth, at which point (pre)payments are made to employers, followed by employers making the payments to employees. By presuming that birth occurs on the due date unless advised otherwise, Centrelink could make an initial prepayment to employers once an employee is deemed eligible for PPL (with a presumption of birth taking place on the due date), which would ensure that employers have the payment straight away, thereby minimizing delays to recipients.

6.8 Employers role and impact on employers

The role for employers as providers of PLP requires evaluation of the impact on them of this role.

6.8.1 Main Findings

In general, employers' responses to the PPL scheme, and to their role in providing PLP, have been well within the expectations of the scheme's design. Employers had generally made only small changes to their HR systems to accommodate PLP. Some had increased the maternity (or paternity) benefits they paid as a result of the introduction of PPL. A very small proportion of employers indicated that they had reduced or withdrawn their own parental leave provisions following the introduction of PPL. Most employers found the scheme easy to implement, and there are strong indications that the costs to employers in implementing it were generally small. Nevertheless, employer views about the value of their role in the scheme remained mixed. While some saw likely benefits in terms of employee retention and smoothing mothers' return to work, others did not see any such benefits and were conscious only of the additional demands their role placed on them.

6.8.2 Implications

The evaluation found that the employer role has not proved onerous for employers. It has been easy to implement, and had small costs. Particularly in larger organisations, routinisation of the arrangements over time is likely to further reduce the impact of PPL on employers. Nevertheless, many employers remain unconvinced about the value of their role. It will be important to monitor this perception over time, and to ensure that employers are made aware of any evidence that emerges in the evaluation of benefits to employers arising from their role. Some employers have altered their own paid parental leave arrangements following the introduction of PPL, mostly by adding additional entitlements. It will be important to monitor changes to employer provided paid parental leave as the PPL scheme becomes well established.

6.9 PLP and leave taking

The PPL scheme provides payments to parents while they are on leave from work as primary carers of their babies. It relies on recipients either taking paid or unpaid leave from their jobs, or otherwise not working (e.g., because they have resigned).

6.9.1 Main Findings

There were no indications that a lack of leave availability has been a significant barrier to mothers taking PLP. Mothers combine PLP with leave available from their jobs in a variety of ways that best suit their needs. Nevertheless, there is evidence of continuing misunderstanding among mothers about their eligibility for statutory unpaid leave under the NES following the birth of a baby.

6.9.2 Implications

The PPL scheme is integrating as intended with employer-provided paid and unpaid leave, including statutory rights to unpaid leave. A significant proportion of mothers may still not fully understand their statutory unpaid leave rights, but there is no real evidence that this is affecting their ability to access leave and PLP.

6.10 Keeping in Touch

The PPL scheme provides recipients of PLP and their employers with the option for recipients to access a total of 10 KIT days to participate in paid work activities for the purpose of keeping in touch with their workplace, without losing their entitlement to PLP.

6.10.1 *Main Findings*

The KIT provisions of the PPL scheme remained unknown to a large proportion of employers and mothers. Half of employers and just over half of mothers did not know about these provisions. Employers who were aware of the KIT provisions were very likely to have used them or to intend to do so. Over half of employers who had used the provisions saw benefits in them, particularly through helping employees to keep up-to-date and engaged with the organisation, and ease their return to work. Beyond formal KIT arrangements provided for in the PPL legislation, many mothers had informal contact with their workplaces while they were on parental leave, whether they and/or their employers were aware of the KIT provisions or not.

6.10.2 *Implications*

The KIT provisions have generally been received quite positively by those mothers and employers who are aware of them. Unsurprisingly, large employers have been more aware of KIT than smaller ones. Continued monitoring of awareness of the KIT provisions is appropriate, as is review of the information sources through which employers and employees become aware of them.

6.11 Conclusion

This evaluation has focused on the immediate outcomes of the PPL scheme. Much of the scheme has operated largely as intended and expected, though a number of aspects will need to be monitored into the future. Some review of the arrangements for PLP payments may be appropriate, since the timely receipt of payments is an area where the evaluation found some real difficulties.

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Institute for Social Science Research

Institute for Social Science Research
Level 4, General Purpose North No.3 (Building 39A)
The University of Queensland 4072
Telephone: (07) 3346 7646 | Facsimile: (07) 3346 7646
Email issr@uq.edu.au Web www.issr.uq.edu.au