



Australian Government

Paid Parental Leave scheme review – Terms of Reference

Overview of the Paid Parental Leave scheme

The Australian Government's Paid Parental Leave (PPL) scheme started on 1 January 2011.

It is designed to provide financial support to working parents to take time off work when they have a baby or adopt a child.

The *Paid Parental Leave Act 2010* (the Act) is the legislation that sets out how the PPL scheme operates and the eligibility requirements.

The PPL scheme provides eligible working parents (usually mothers) with up to 18 weeks Parental Leave Pay at the rate of the national minimum wage (currently around \$606 a week before tax).

The Australian Government expanded PPL with two weeks Dad and Partner Pay on 1 January 2013. It provides eligible fathers or partners (including adopting parents and same-sex partners) with two weeks payment also at the rate of the national minimum wage.

The Government's Paid Parental Leave scheme builds on entitlements to unpaid leave provided through the *Fair Work Act 2009*.

Scope of the review

A review of the PPL scheme is required under the legislation, and must start by 31 January 2013.

The Act sets out the issues to be considered as part of the review and requires the Minister to take account of public submissions and the emerging findings of the PPL evaluation.

Legislative requirements

Section 307A of the Act requires the review to consider the following issues:

- a) the amount of time off work that primary carers are taking to care for newborn or newly adopted children
- b) the availability and amount of leave and payments provided by employers in relation to the birth or adoption of a child, and the interaction of those entitlements with parental leave pay provided under the Act
- c) the operation of the work test
- d) whether primary claimants' partners should be paid parental leave pay separately from, or in addition to, primary claimants
- e) whether employers should make superannuation contributions in relation to parental leave pay
- f) the results of any evaluations conducted in relation to the operation of the Act
- g) the administration of the Act
- h) any other matter relevant to the general operation of the Act.



The legislation also requires that the Minister table a copy of the written report of the review in each House of the Parliament within 15 sitting days of the Minister receiving the report.

The Minister for Families, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP, has directed the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to conduct the review of the PPL scheme.

Dad and Partner Pay

As Dad and Partner Pay only recently commenced (on 1 January 2013) it will not be considered in this review, except to the extent that it interacts with the rest of the PPL scheme. Dad and Partner Pay is being evaluated as part of the PPL evaluation.

The Paid Parental Leave evaluation

In addition to the review, the Government is conducting an evaluation of the PPL scheme, including its implementation, its immediate outcomes, and the extent to which the scheme is likely to meet its longer-term objectives.

The evaluation is based on parent and employer surveys conducted in three phases from 2010. Phase 1 of the evaluation has been completed and the findings from Phases 2 and 3 will be available later in 2013.

As required by the Act, the evaluation findings will be considered as part of the review.

Evidence and data available to the review

FaHCSIA will draw on the following sources of evidence:

- submissions received from individuals and organisations during the public consultation process
- discussions with key stakeholders to find out about employee and employer experiences with the PPL scheme
- available evidence from the evaluation of the PPL scheme.

FaHCSIA may also use data as appropriate from key government sources:

- the Department of Human Services (Centrelink)
- the Department of Education, Employment and Workplace Relations
- the Fair Work Ombudsman
- the Fair Work Commission
- the Australian Bureau of Statistics
- the Department of Industry, Innovation, Science, Research and Tertiary Education
- other relevant statistical sources.



Review steering group

The Minister has appointed an expert Steering Group to oversee the review.

The Steering Group includes representation from employee groups, employer groups, women's and community groups, the Human Rights Commission, independent academic researchers and relevant Government departments.

The Steering Group will meet regularly during the course of the review. It will provide advice to FaHCSIA on how to conduct the review including the public consultation process, analysis of evidence and the report to Government. The Steering Group will provide expert input on policy issues that emerge from the review findings. Members of the Steering Group will also promote the review and encourage stakeholder participation.

Timing of the review

Date	Action
March – 31 May 2013	Public consultation period for written submissions and consultations.
June – October 2013	Analysis and assessment, including incorporating data from Phase 3 of the PPL Evaluation, which are expected to be available in October 2013.
By 31 December 2013	FaHCSIA will provide the final report to the Minister and the Act specifies the Minister will table the report in Parliament within 15 sitting days of receiving the final report.