

Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022

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Finance Sector Union

National Secretary: Julia Angrisano
2/341 Queen Street
Melbourne VIC Australia 3000

Ph: 1300 366 378

E: fsuinfo@fsunion.org.au

www.fsunion.org.au

This submission was prepared by FSU National Policy Officer Angela Budai.

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Background and introduction

The Finance Sector Union (FSU) is a registered industrial organisation under the *Fair Work (Registered Organisations) Act 2009*. FSU represents members in the finance and insurance industry in Australia. This industry consists of approximately 537 700 employees nationwide (approximately 4% of the workforce) with women making up approximately 50.2% of the total number of workers within the sector¹.

This submission follows the FSU's previous submission to the Senate Standing Committee on Community Affairs in March 2020 on the Morrison Government's Paid Parental Leave Amendment (Flexibility Measures) Bill 2020. While there have been some welcome changes included in the *Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022*, there are areas where this legislation falls short and should be improved to further equalise access to paid parental leave.

The finance industry was one of the first industries to embrace paid parental (then called maternity) leave in the early 1990s. This submission will provide some insights into effective employer initiatives to support gender neutral access to paid parental leave. It will then comment on the changes that the proposed Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022, and finally, we will make some recommendations about the further improvements that ought to be considered to further improve Australia's Paid Parental Leave scheme.

Finance and Insurance Industry Paid Parental Leave Best Practice

Employers in the finance industry have been providing some form of paid parental (or maternity) leave since the 1990s and were some of the early adopters of paid parental leave schemes. Since 2000 these schemes have incrementally improved in terms of both the accessibility and quantum of paid leave. As early as 2008 some of the largest finance employers offered this leave to employees (primary carers at that stage) without the requirement of a minimum qualification period. In the last 5 years a number of employers in the finance and insurance industry have embraced genuinely "gender neutral" paid parental leave schemes. These schemes at their best provide a period of 18 weeks paid leave to any employee who has a baby come into their lives – through birth, adoption or surrogacy – and are flexible so can be taken anytime in the first 2 years in blocks or single days. These employers also provide superannuation payments on all paid parental leave with a number of employers providing superannuation payments for 52 weeks to cover unpaid portions of parental leave in order to address the gender superannuation gap.

Proposed Paid Parental Leave Amendment Bill

¹ <https://labourmarketinsights.gov.au/industries/industry-details?industryCode=K>

The FSU welcomes the proposed changes contained in the Paid Parental Leave Amendment (Improvements for Families and Gender Quality) Bill 2022. These changes provide a good starting point for improving the Federal Paid Parental Leave scheme and we look forward to working alongside the government to develop a best practice paid parental leave scheme. It is our hope that Australia will eventually have a world class paid parental leave scheme that is effective in supporting working families and encouraging a more equitable distribution of care between both parents.

What's Still Required

The Paid Parental Leave scheme in Australia currently does not provide adequate provisions to encourage the sharing of early childhood care equally by parents. The small number of eligible partner, secondary carers or fathers accessing paid parental leave is a barrier to gender equality. A best practice paid parental leave scheme should include the following entitlements for each parent:

1. No minimum qualification period
2. Applies to babies who come into a family through birth, adoption, long term fostering/kinship arrangements or surrogacy.
3. 26 weeks paid leave for each parent, paid at full replacement wage
4. Parental leave can be accessed flexibly:
 - a. For the birth parent a block of 6 weeks must be taken after the birth unless medical clearance is provided to return to work earlier
 - b. Can be taken in single days or blocks or a combination of the two
5. Parents will be permitted to have a minimum of 8 weeks concurrent leave that can be extended by application
6. Parental leave (both paid and unpaid) should count as service.
7. Long service leave should continue to accrue during periods of both paid and unpaid parental leave.
8. Annual leave and sick leave should continue to accrue during periods of paid parental leave.
9. Superannuation should be paid for a minimum of 52 weeks during period of either paid or unpaid parental leave
10. Employees should be able to access adequate paid time off for antenatal care and to attend appointments with their partner/surrogate or to attend meeting to finalise adoption or long term fostering/kinship care.
11. If you have a pregnancy related illness you should have access to up to 12 weeks special parental leave

Conclusion

The proposed changes to the governments paid parental leave scheme outlined in the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022 are welcomed by the FSU. These changes signpost that paid parental leave ought to be more equitably distributed between both parents. In order to deliver on a genuinely equitably distribution of parental leave more work needs to be done to ensure that both parents have access to full wage replacement and that the quantum of leave is increased to 26 weeks for each parent. The Finance Sector Union will continue to support incremental initiatives that will bring the Australian Paid Parental Leave Scheme into line with the best practice schemes that deliver more equitable care for Australian families.
