

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015-16 Budget Estimates Hearings

Outcome Number: 2.2 Paid Parental Leave

Question No: SQ15-000511

Topic: Paid Parental Leave

Hansard page: Written

Senator Hanson-Young, Sarah asked:

Can the Department provide the evidence for their estimates of the numbers of women (currently suggested to be 80,000) who will lose access to the government paid parental leave scheme? What proportion of the total number of affected women will no longer receive any government PPL payments? And what proportion are estimated to receive a reduce payment under the proposed new scheme?

Answer:

The modelling for the Paid Parental Leave (PPL) Budget measure drew on the Family and Work Cohort Study (FaWCS) that was undertaken as part of the PPL evaluation. FaWCS analysis was based on responses from a two wave survey of over 4,000 mothers who had a baby in October or November 2011. Surveys were undertaken when the babies were about 7 months old and again when the babies were 13 months old. For the modelling work undertaken for the Budget measure, parameters in FaWCS, such as incomes, were increased to 2014-15 values. Estimates of numbers impacted by the PPL Budget measure are derived by extrapolating information from FaWCS to the PPL population as a whole. This can be done since the FaWCS sample is nationally representative of PPL eligible mothers.

The estimate of around 79,000 affected customers in 2016-17 is derived by applying the proportion of previous PPL customers who have access to employer-provided paid parental leave schemes to projections of future PPL customers. Of the affected customers, an estimated 34,000 mothers will no longer receive government-funded PPL. Around 45,000 mothers, the majority of whom work for the state or federal government or in medium to large private enterprises, will receive a reduced payment. The remaining 90,000 mothers who are currently eligible for PPL will be unaffected by the Budget measure.

Of the mothers who are currently eligible for PPL, almost all of those who work in small businesses and over half of those who work in medium to large private enterprises will be unaffected by the Budget measure.