

Saturday 15 October 2022

Parental leave expansion a big step forward for working parents

The ACTU welcomes the Albanese Government's commitment to expand access to Paid Parental Leave to 26 weeks. The new scheme will significantly increase the overall amount of leave available while also making it more easily shared between parents, including on a flexible basis.

Australia has the second worst paid parental leave scheme in the developed world, and poor levels of shared parenting. This leaves women with an unfair caring burden, which causes their earnings to fall by 55 per cent on average in the first five years of parenthood, according to new Treasury analysis.

Australia has low levels of women's workforce participation compared to many OECD countries and unions have campaigned for decades to win improvements in paid parental leave. Today's announcement is a great step towards the support that Australian parents need to better balance work and care.

The expanded scheme will not be fully implemented until 2026 and will continue to be paid at the National Minimum Wage which is approximately half of median earnings. In practice, because women are on average paid less than men, this acts as a disincentive to men taking parental leave, placing more pressure on women to put their careers and lifetime earnings on hold. The ACTU will continue to campaign for parental leave to be paid at the full replacement wage and to bring forward the increase in leave.

Quotes attributable to ACTU President Michele O'Neil:

"This increase from 18 to 26 weeks is a great step forward for Australian parents, particularly working women, and a stark contrast to the policies and attitudes to women that we saw under the previous Government.

"Paid parental leave should be flexible and available to all parents, and this new scheme is a big improvement in this regard.

"Unions have campaigned for decades to improve the length of paid parental leave and the level of payments. Many union-negotiated agreements now have more weeks, higher pay levels and flexible arrangements. Increasing the minimum entitlements under the government scheme is such an important win.

"We welcome the Albanese Government's announcement today and will continue to campaign to lift the payment of paid parental leave to a full replacement wage including superannuation, which is so important to close the gender pay and super gaps."

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